HMRC - OT18080 - PRT: Transfer Of Licence Interests - Successive Transfers

FA80\Sch17\Para10

This paragraph deals with two types of ‘successive transfers’:

Where A transfers an interest to B who in turn transfers it to C

FA80\SCH17\PARA10(1)(a) provides for the further transfer of expenditure (see OT18040) or losses (see OT18050) which the old participator (i.e. B) itself took as a result of an earlier transfer but which it has not used.

Similarly, any inherited accumulated capital expenditure (see OT18060) is passed on. And the provision enables the new participator (i.e. C) to calculate its ‘5% test’ by reference to all its predecessors’ oil and gas (i.e. A’s and B’s), see OT18070.

Where A transfers a part-interest to B and, later, another part-interest to C

FA80\SCH17\PARA10(1)(b) provides that the transfer of expenditure etc. on second and subsequent transfers of interest, shall be effected after the deduction of sums previously transferred.

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