HMRC - OT18090 - PRT: Transfer Of Licence Interests - Provisional Expenditure Allowance

FA80\Sch17\Para11

On provisional expenditure generally, see OT14250.

When the old participator has disposed of its entire field interest, it gets no provisional expenditure relief in the transfer period. Instead, any provisional relief in either of the two previous chargeable periods that has not already been clawed back is recovered in the assessment for the transfer period.

Inspectors should note when assessing that all necessary adjustments should be made manually - the computer system automatically calculates provisional allowance without reference to any transfers. Similarly, adjustments will need to be made afresh each time the relevant assessments are amended.

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