HMRC - OT18150 - PRT: Transfer Of Licence Interests - Oil Allowance

FA80\Sch17\Para17

Oil allowance generally is covered at OT17000.

Transfer in first three periods

Where the transfer takes place in one of the first three chargeable periods FA80\SCH17\PARA17 prevents the old participator (OP) from receiving oil allowance in the transfer period or any earlier period.

General

The Schedule does not deal with the allocation of oil allowance for the transfer period. OTA75\S8 is sufficient in that it will entitle both OP and the new participator (NP) to a share of the oil allowance for the transfer period based on their respective shares of the oil won and saved during that period. If the normal arrangement is that oil allowance is allocated on a ‘liftings’ basis, then OP and NP will take shares calculated by reference to their respective liftings. If the oil allowance is shared on an ‘equity’ basis, then the joint share attributable to the field interest passing from OP to NP should be time apportioned.

Previous page

Next page