HMRC - OT18620 - PRT Compliance: Risk Assessment - Mandatory Work, Projects And Campaigns

The position on mandatory work, projects and campaigns is explained at TCRM2450.

Specific mandatory work in PRT includes the obligation to calculate Tax Reference Prices for all non arms length sales or disposals of oil. Companies are obliged to complete PRT 1A Returns. To enable LB Oil & Gas to calculate statutory values for its customers, clarification may have to be sought in respect of such returns from Low Risk companies.

Mandatory work includes work arising out of commitments to the NAO, with whom we are in regular discussion. In the past they have taken a particular interest in PRT/Accounts reconciliations (OT18660) and the LPG valuation (OT05350) and Condensate valuation methodologies (OT05345). The representative bodies will normally be advised through the Direct Tax Forum of any such mandatory work.

Projects and risk campaigns have been a feature of PRT compliance work for a number of years. They may be undertaken to address specific risks or to improve regulation, or for both purposes.

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