HMRC - OT21032 - The Valuation Of Oil - Nomination Scheme Excesses

Under the PRT Nomination Scheme (see OT05200 onwards) there are various circumstances in which market value, rather than sale price, is adopted for PRT purposes, e.g. where a company misses the time limit for making a nomination. Any adjustments under the scheme are ignored for CTA10\S280 + purposes.

This is because the legislation requires the substitution of market value for CT purposes where market value is taken into account for PRT purposes under OTA75\S2. In nomination cases, S2 requires not market value but the ‘excess of nominated proceeds’ to be taken into account. The fact that this ‘excess’ is computed by reference to market value is irrelevant.

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