HMRC - OT21090 - Currency Differences And Valuation Of Oil - Introduction

CTA10\S280 +

The effect of exchange differences and the different accounting treatments that companies may adopt are not specifically referred to in the 1975 oil tax legislation.

PRT values are used in the CT ring fence computations and are substituted for the figures in the accounts (see OT21027).

The starting point for working out the market value for PRT purposes for most types of oil is US Dollars. This is then converted into Sterling as this is the unit of account for tax computational purposes. LBS Oil & Gas PRT team will agree basis for currency conversion for PRT purposes for a field from a range of standard options with the individual company (see OT05075).

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