HMRC - OT26005 - Judicial Comment On Scientific Research And Oil Exploration

In the case of Gaspet Ltd v Elliss (60TC91) the Special Commissioners in their decision said

It may appear slightly odd that exploration for oil under the sea should be regarded as “scientific research”, but it was common ground that it is accepted as being such for the purposes of the provision.

In the High Court in the same case Mr Justice Peter Gibson said

It is common ground between the parties that exploration for oil under the sea is to be regarded as scientific research for the purposes of section 91 and accordingly I shall not take up time in considering whether such a meaning can be contrived out of the statutory language.

Any doubts as to the general availability of relief implied in these comments were not subsequently tested.

Although the above commentary relates to pre FA2000 periods, HMRC regard the scope of oil and gas E&A as defined in CTA10\S1134 as the same as the oil and gas exploration activity which qualified for scientific research allowances (SRA) before FA2000 took effect.

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