HMRC - OT28050 - Further Definitions

The following terms are also defined for the purposes of CAA2001\S164 and CAA2001\S165

Meaning of decommissioning CAA2001\S163(4A)

This means in relation to any plant and machinery

demolishing the plant or machinery,

preserving the plant or machinery pending reuse or demolition,

preparing the plant or machinery for reuse, or

arranging for the reuse of the plant or machinery.

Meaning of Offshore installations

This has the same meaning as in Part IV of the Petroleum Act 1998. This is defined at Section 44 of the Act and broadly covers oil or gas installations used for exploration, exploitation, storage, conveyance or accommodation in the UK territorial sea or a designated area of the UK continental shelf (UKCS). Refer to the statute for a full definition.

An installation may also be an offshore installation even if it is situated outside a designated area of the UKCS. This can occur if the installation lies within the boundaries of a transmedian field and is used to exploit UK oil or gas resources. Section 44 Petroleum Act 1998 does not place a physical limitation on where the installation has to be situated.

Meaning of submarine pipelines

This has the same meaning as in Part IV of the Petroleum Act 1998. This is defined at Section 45 Petroleum Act 1998 and broadly covers a pipeline in, under or over the UK territorial sea or a designated area of the UKCS. Refer to the statute for a full definition.

Meaning of Pipeline

This is defined at Section 26 Petroleum Act 1998. Refer to the statute for a full definition.

There are a number of other terms referred to in the Petroleum Act -

Territorial sea

This is defined in the Territorial Water Orders in Council 1964 and 1979 and is the area of sea extending to 12 miles from the low water mark around the coast, subject to certain exceptions, mostly off the west coast of Scotland, where parts of the sea between the coast and the territorial sea baseline are technically part of the UK itself.

Designated area

This is an area designated by Order in Council under Section 1(7) of the Continental Shelf Act 1964 (see CTA2010\S1170). This is broadly the area from the boundary of the territorial sea to the edge of the UKCS.

Allowable expenditure (CAA2001\S164)

In relation to general decommissioning expenditure, means the amount of the expenditure that is proportionate to the relevant decommissioning carried out in the specified decommissioning period.

Non-allowable expenditure

In relation to general decommissioning expenditure, means so much of that expenditure as is not allowable expenditure.

Relevant decommissioning

In relation to general decommissioning expenditure, means the decommissioning to which the expenditure relates.

Specified decommissioning period

In relation to relevant decommissioning, means the chargeable period specified in the election as the period in which the decommissioning was carried out.

Specified expenditure period

In relation to general decommissioning expenditure, means the chargeable period specified in the election as the period in which the expenditure was incurred.

Allowable expenditure (CAA2001\S165)

In relation to general decommissioning expenditure, means the amount of the expenditure that is proportionate to the relevant decommissioning carried out in the decommissioning period.

Decommissioning period

In relation to relevant decommissioning, means the notional accounting period or chargeable period in which the decommissioning was carried out.

Expenditure period

In relation to general decommissioning expenditure, means the notional accounting period or chargeable period in which the expenditure was incurred.

Previous page

Next page