
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Paragraph 10. (See end of Document for details)

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 2

THE TOTAL TTH AMOUNT

The “uplifted decommissioning costs estimate”

- 10 (1) A “decommissioning security agreement” is an agreement entered into for the purpose of—
- (a) determining the costs of decommissioning an oil field, and
 - (b) providing security for—
 - (i) the performance of obligations under an abandonment programme for the purposes of section 38A of the Petroleum Act 1998 (whether or not such a programme has been approved at the time the agreement is entered into), or
 - (ii) the costs of decommissioning plant or machinery which is, or forms part of, a relevant onshore installation.
- (2) A decommissioning security agreement is “qualifying” for the purposes of this Schedule if—
- (a) the seller is a party to the agreement,
 - (b) at least one of the parties is not associated with the seller, and
 - (c) the estimate approved for the purposes of the agreement is a reasonable estimate of the decommissioning costs for the oil field.
- (3) In a case where the corporate restructuring condition (see paragraph 56(2)) is met, sub-paragraph (2)(a) has effect as if the reference to the seller were a reference to a party to the third party election (as defined in that paragraph).
- (4) In sub-paragraph (1)—
- “abandonment programme” has the meaning given by section 29 of the Petroleum Act 1998, and
 - “relevant onshore installation” has the same meaning as in section 163 of CAA 2001 (see subsection (3C) of that section).
- (5) See paragraph 98 of this Schedule and section 271 of CTA 2010 for further provision about the meaning of “associated companies”.

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