**

**Guidance on making a claim under a Decommissioning Relief Deed (“DRD”)**

This document provides guidance for companies operating in the UK and UK Continental Shelf (UKCS) who have signed a DRD with Her Majesty’s Government (HMG) and who wish to submit a claim under the terms of the DRD.

**What is a Decommissioning Relief Deed?**

The DRD is a contract between the government and companies operating in the UK and UKCS, to provide certainty on the tax relief they will receive when decommissioning assets.

The DRD provides that, in such circumstances as are specified in the agreement, if the amount of tax relief in respect of any decommissioning expenditure incurred by the qualifying company is less than an amount determined in accordance with the agreement (the reference amount), the difference is payable to the company. Further details, including how to apply for a DRD can be found [here](https://www.gov.uk/government/consultations/decommissioning-relief-deeds-increasing-tax-certainty-for-oil-and-gas-investment-in-the-uk-continental-shelf).

**How to claim under a DRD**

The company should fill out and sign the “Claim Statement under a Decommissioning Relief Deed” form at the end of this document. The Claim Statement sets out the evidence HMG expects to see in support of any claim.

Applicants should send supporting documents as evidence for each requirement under the Claim Statement, including a contents page and clearly-labelled Appendices. These should indicate how the attached documents provide supporting evidence for each requirement.

**Where to send the Claim Statement**

Three printed copies of the completed and signed Claim Statement, along with three printed copies of all the supporting evidence, should be sent to:

Decommissioning Certainty

Energy and Transport Tax team

Business and International Tax

HM Treasury, First Floor

1 Horse Guards Road

London

SW1A 2HQ

An electronic version should also be emailed to: decommissioning.certainty@hmtreasury.gsi.gov.uk

These contact details can also be used for any general queries relating to DRDs or related claims.

Claim Statement under the terms of a Decommissioning Relief Deed

*Claimant Information*

|  |  |
| --- | --- |
| Name of Claimant |  |
| Address of Claimant |  |
| Contact person |  |
| Contact person's position |  |
| Contact telephone number |  |
| Contact email address |  |
| Petroleum Licence Number(s) |  |
| Block(s) |  |
| Field name |  |
| Claimant's percentage interest in the Field |  |
| Name of Defaulting Party |  |
| Defaulting Party's percentage interest in the Field |  |
| Other owners of the Field and percentage interest of each owner in the Field |  |
| Submission date of Claim |  |
| Decommissioning Relief Deed ("Deed") Date |  |
| Bank Account Details |  |

Capitalised terms in this Claim Statement are as defined in the Deed and all cross references are to the Deed.

Claim made in respect of RFCT or SC

*Calculations*

|  |  |
| --- | --- |
| Accounting Period |  |
| Decommissioning Relief the Claimant expects to receive (in pounds sterling) |  |
| Reference Amount[[1]](#footnote-1) |  |
| Total Decommissioning Expenditure incurred (in pounds sterling) |  |
| Claimant's share of Decommissioning Expenditure (in pounds sterling) |  |
| Defaulting Party's share of Decommissioning Expenditure (in pounds sterling) |  |
| Imposition Decommissioning Expenditure incurred (in pounds sterling)[[2]](#footnote-2) |  |
| Ordinary Decommissioning Expenditure incurred (in pounds sterling)[[3]](#footnote-3) |  |
| RFCT Relief and/or SC Relief |  |
| Difference Payment being claimed (in pounds sterling)[[4]](#footnote-4) |  |

With regard to a Claim made in respect of RFCT or SC, the Claimant declares, after having made full and diligent enquiry, that the:

1. Imposition, as set out in this Claim Statement, has occurred;
2. Decommissioning Expenditure, set out in this Claim Statement, has been incurred;
3. Decommissioning Expenditure, set out in this Claim Statement, has been paid or will be paid; and
4. work to which the Decommissioning Expenditure relates, as set out in this Claim Statement, has been carried out.

The Claimant attaches:

1. at Appendix 1, a certified true and complete copy of [[draft accounts or management accounts] or [pro forma accounts relating to its ring fence operations in the United Kingdom and the UKCS]], as required by Clause 6.1.2(a);

2. at Appendix 2, evidence, as required by Clause 6.1.2(b), that the Imposition has occurred;[[5]](#footnote-5)

3. at Appendix 3, evidence, as required by Clause 6.1.2(c), that the Decommissioning Expenditure has been incurred, including a summary of the Decommissioning Expenditure that the Claimant has incurred;[[6]](#footnote-6)

4. at Appendix 4, evidence, as required by Clause 6.1.2(c), that the Decommissioning Expenditure payment has been or will be made;[[7]](#footnote-7)

5. at Appendix 5, evidence, as required by Clause 6.1.2(c), that the work to which the Decommissioning Expenditure relates has been carried out;[[8]](#footnote-8)

6. at Appendix 6, a certificate signed by an officer of the Claimant certifying that, (i) the contents of this Claim Statement are correct and complete to the best of the Claimant's knowledge and belief, and (ii) [[none of the Decommissioning Expenditure set out in this Claim Statement has involved, directly or indirectly, a payment to a Connected Person, pursuant to Clause 6.1.2(d)] or [Decommissioning Expenditure set out in this Claim Statement has involved, directly or indirectly a payment to a Connected Person, and evidence of such amount is attached as an exhibit to Appendix 6]], as required by Clause 6.1.2(d); and

7. at Appendix 7, certified true and complete copies of other documentation or evidence that are of a similar nature which the Government Counterparty has specified by public notice to holders of Similar Deeds, as required by Clause 6.1.2(e). The documentation and evidence are:

[     ●     ].

Claim made in respect of PRT

*Calculations*

|  |  |
| --- | --- |
| Accounting Period |  |
| Decommissioning Relief the Claimant expects to receive (in pounds sterling) |  |
| Reference Amount[[9]](#footnote-9) |  |
| Total Decommissioning Expenditure incurred (in pounds sterling) |  |
| Claimant's share of Decommissioning Expenditure (in pounds sterling) |  |
| Defaulting Party's share of Decommissioning Expenditure (in pounds sterling) |  |
| Imposition Decommissioning Expenditure incurred (in pounds sterling)[[10]](#footnote-10) |  |
| Ordinary Decommissioning Expenditure incurred (in pounds sterling)[[11]](#footnote-11) |  |
| PRT Relief |  |
| Difference Payment being claimed (in pounds sterling)[[12]](#footnote-12) |  |

With regard to a Claim made in respect of PRT, the Claimant declares, after having made full and diligent enquiry, that the:

1. Imposition, as set out in this Claim Statement, has occurred;
2. Decommissioning Expenditure, set out in this Claim Statement., has been incurred;
3. Decommissioning Expenditure, set out in this Claim Statement, has been paid or will be paid; and
4. work to which the Decommissioning Expenditure relates, as set out in this Claim Statement, has been carried out.

The Claimant attaches:

1. at Appendix 8, [[a certified true and complete copy of its Tax Return for PRT for the Chargeable Period] or [a set of pro forma accounts relating to its ring fence operations in the United Kingdom and the UKCS]], as required by Clause 6.1.4(a);
2. at Appendix 9, the [[Claimant Certificate] or [Defaulter Certificate]], as required by Clause 6.1.4(b);
3. at Appendix 10, evidence, as required by Clause 6.1.4(c) that the Imposition has occurred;[[13]](#footnote-13)
4. at Appendix 11, evidence, as required by Clause 6.1.4(d), that the Decommissioning Expenditure has been incurred, including a summary of the Decommissioning Expenditure that the Claimant has incurred;[[14]](#footnote-14)
5. at Appendix 12, evidence, as required by Clause 6.1.4(d), that the Decommissioning Expenditure payment has been or will be made;[[15]](#footnote-15)
6. at Appendix 13, evidence, as required by Clause 6.1.4(d), that that the work to which the Decommissioning Expenditure relates has been carried out;[[16]](#footnote-16)
7. at Appendix 14, a certificate signed by an officer of the Claimant certifying that, (i) the contents of this Claim Statement are correct and complete to the best of the Claimant's knowledge and belief, and (ii) [[none of the Decommissioning Expenditure set out in this Claim Statement has involved, directly or indirectly, a payment to a Connected Person, pursuant to Clause 6.1.4(e)] or [Decommissioning Expenditure set out in the Claim Statement has involved, directly or indirectly a payment to a Connected Person, and evidence of such amount is attached as an exhibit to Appendix 14, as required by Clause 6.1.4(e)]]; and
8. at Appendix 15, certified true and complete copies of other documentation or evidence that are of a similar nature which the Government Counterparty has specified by public notice to holders of Similar Deeds, as required by Clause 6.1.4(f). The documentation and evidence are:

[     ●     ].

Tax Residency

The Claimant declares that it [[is] or [is not]] resident for tax purposes in the United Kingdom.

The Claimant declares that it [[is] or [is not]] carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom.

*Note: If either declaration above is negative then for the Claimant to be able to submit a valid Claim it must be able to make the further declarations:*

The Claimant declares that:

1. it has no liability to corporation tax, PRT, Ring Fence Corporation Tax or Supplementary Charge; and
2. the Imposition Decommissioning Expenditure to which the Claim relates was incurred by the Claimant in compliance with its obligations under a notice issued under section 29 or section 34 of the Petroleum Act 1998 or by reason of it being liable to be issued with such a notice.

Anti-Abuse Declarations

The Claimant declares that:

1. [other than the [     ●     ] between [     ●     ] and the Claimant, dated [     ●     ] (the "Agreements"),][[17]](#footnote-17) there are no arrangements in place between the Claimant and any other party which enables the Claimant to make Decommissioning Expenditure in relation to the decommissioning of the Field that, if made, would be treated as Imposition Decommissioning Expenditure under the Deed;
2. prior to the Agreements coming into effect, there were no arrangements in place between the Claimant and any other party, which enabled the Claimant to:

(a) make Decommissioning Expenditure in relation to the decommissioning of the Field, that if made, would be treated as Imposition Decommissioning Expenditure under the Deed; and/or

(b) secure relief for Decommissioning Expenditure or a Difference Payment sooner than would have been secured in the absence of such arrangements;

1. the decommissioning operations to which the Decommissioning Expenditure in this Claim Statement relates has been carried out;
2. [other than the Agreements,] there are no arrangements in place between the Claimant and any other party which enables the Claimant to secure relief for Decommissioning Expenditure or a Difference Payment sooner than would have been secured in the absence of the arrangements;
3. the Claimant has obtained all Decommissioning Relief available under Current Legislation and the Claim has been reduced by the amount of such relief obtained; and
4. the provider of security for Decommissioning Expenditure (if any) is not a Connected Person.

Further Information

The Claimant attaches (as applicable):

1. at Appendix 16, certified true and complete copies of any trust arrangements for the holding of funds to be expended as Decommissioning Expenditures for the Field;
2. at Appendix 17, evidence of the amounts that a Defaulting Party has paid under the Agreements towards decommissioning the Field;
3. at Appendix 18, evidence of any transfer of funds from the trust established by the Defaulting Party to meet all or part of its share of the Decommissioning Expenditures for the Field; and
4. at Appendix 19, evidence of any use of the Relevant Property by any other field and the allocation of Decommissioning Expenditure between such fields and the Field.

I, the undersigned, being an officer of the Claimant, hereby declare that the information contained within this Claim Statement is true, accurate and complete.

Signature

Print name

[Title]

1. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-1)
2. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-2)
3. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-3)
4. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-4)
5. Guidance note: evidence that the Imposition has occurred are documents including, but not limited to, default notices issued under joint operating agreements, unit operating agreements and the decommissioning security agreement. Such evidence must be accompanied by certified true and complete copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-5)
6. Guidance note: evidence that the Decommissioning Expenditure has been incurred are documents including, but not limited to, invoices and completion certificates under the decommissioning services agreement. Such evidence must be accompanied by certified true copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-6)
7. Guidance note: evidence that the Decommissioning Expenditure payment has been or will be made are documents including, but not limited to, receipts that the Decommissioning Expenditure payment has been made. [↑](#footnote-ref-7)
8. Guidance note: evidence that the work to which the Decommissioning Expenditure relates, includes, but is not limited to completion certificates under the decommissioning services agreement. Such evidence must be accompanied by certified true copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-8)
9. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-9)
10. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-10)
11. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-11)
12. Please provide detailed computations in a supporting schedule. [↑](#footnote-ref-12)
13. Guidance note: evidence that the Imposition has occurred are documents including, but not limited to, default notices issued under joint operating agreements, unit operating agreements and the decommissioning security agreement. Such evidence must be accompanied by certified true and complete copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-13)
14. Guidance note: evidence that the Decommissioning Expenditure has been incurred will include, but not limited to, the following documents: invoices and completion certificates under the decommissioning services agreement. Such evidence must be accompanied by certified true copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-14)
15. Guidance note: evidence that the Decommissioning Expenditure payment has been or will be made are documents including, but not limited to, receipts that the Decommissioning Expenditure payment has been made. [↑](#footnote-ref-15)
16. Guidance note: evidence that the work to which the Decommissioning Expenditure relates, includes, but is not limited to completion certificates under the decommissioning services agreement. Such evidence must be accompanied by certified true copies of the relevant agreements and any amendments or variations. [↑](#footnote-ref-16)
17. Guidance note: certified true and complete copies of these arrangements (for example, the decommissioning security agreement, the joint operating agreement and the unit operating agreement) will need to be disclosed and attached to the Claim Statement. [↑](#footnote-ref-17)