1. Alternative Schedule issued under Clause 2.3
Reference Amounts

This document is an Alternative Schedule for the purposes of the Decommissioning Relief Deed entered into between the Lords Commissioners of Her Majesty’s Treasury (the “Government Counterparty”) and [COMPANY] (the “Company”) dated [DATE] (the “**Deed**”).

It is issued pursuant to Clause 2.3 of the Deed.

The issue of this Alternative Schedule has no effect upon the Deed unless the Company makes an election by giving notice to the Government Counterparty in accordance with Clause 12 (*Notices*) of the Deed.

Upon receipt by the Government Counterparty of such notice, the Deed will be varied in accordance with Clause 10.3 thereof inasmuch as the provisions below shall replace, in its entirety, Schedule 1 to the Deed.

This variation will apply for all Claims made on or after the date upon which this Alternative Schedule becomes effective. Any election is irrevocable and the Company will not be entitled to rely on the original Schedule 1 in making any such Claims.

**Schedule 1
Reference Amounts**

* 1. **Definitions**

Definitions used in the body of this Deed shall have the same meanings when used in this Schedule and unless otherwise stated references in this Schedule to Paragraphs are to paragraphs of this Schedule. In addition, the following terms and expressions shall bear the following meanings in Paragraph 2.3:—

 **“Net Cost”** means the aggregate of the Claimant’s share of Decommissioning Expenditure and in calculating Net Cost there shall be deducted:—

receipts from decommissioning, including any actual salvage value;

Tax allowances available to the Claimant in respect of Decommissioning Expenditure; and

any payments due under this Deed;

**“Net Revenues”** means the aggregate of the Claimant’s share of:—

(a) the sales value of petroleum produced and delivered or appropriated from the Field; and

(b) the proceeds of sale of any surplus Relevant Property sold prior to the date on which the final Decommissioning Expenditure in relation to the relevant decommissioning activity has been incurred; and

(c) the amount or value of any tariffs or other income received or receivable from the owners of other fields arising out of the provision of services utilising the Relevant Property under transportation, processing and other agreements,

 and in calculating Net Revenues there shall be deducted:—

(i) the costs attributable to the Net Revenues, including but not limited to operating and capital costs (other than Decommissioning Expenditure) and sales costs;

(ii) Tax, but taking account of Tax allowances and any Government grants, allowances or other assistance given in relation to the Relevant Property or the operation of the Relevant Property (other than any Tax allowances available to any person in respect of Decommissioning Expenditure and any payments due under this Deed).

* 1. **General**
		1. Save as specifically set out in this Schedule, a Reference Amount shall be calculated by reference to Enactment Date Legislation. For the avoidance of doubt, where losses are carried back to Tax Periods ending before the Enactment Date, Tax Capacity shall be determined by reference to the legislation in force during those Tax Periods.
		2. References in this Deed to any expenditure (including Decommissioning Expenditure) being “**incurred**” shall, except where reference is made in Schedule 4 to expenditure being “**actually incurred**”, be construed as references to the same being recognised as incurred for the purposes of the relevant Tax under Enactment Date Legislation (regardless of when payment was actually made in respect of such expenditure). Notwithstanding the foregoing, the fact that Decommissioning Expenditure may have been met directly or indirectly by a third party shall not prevent it being Decommissioning Expenditure for the purposes of this Schedule, subject always to Clause 6 and to Paragraph 9.1.
		3. Where there is an Imposition which requires the Claimant to incur Decommissioning Expenditure in respect of a Licence Interest Share which it acquired as the result of forfeiture under a joint operating agreement, unitisation agreement or similar agreement, the expenditure shall be treated as Imposition Decommissioning Expenditure if, and then only to the extent that, the Net Cost that the Claimant has incurred in respect of such Licence Interest Share exceeds the Net Revenues it has received in respect of such Licence Interest Share. To the extent that such Net Cost does not exceed such Net Revenues, the expenditure so incurred shall be treated as Ordinary Decommissioning Expenditure.
		4. On no account shall any item be taken into account as an allowance in the calculation of Net Cost for the purposes of Paragraph 2.3 if it has already been taken into account in the calculation of Net Revenues, and vice versa.
		5. This Paragraph applies in any case where an election is made under Schedule 15 to the Finance Act 2019 and the amount of relief arising to any person is less than it would have been but for the making of such election. In calculating any Reference Amount under this Schedule, the total TTH amount that is reflected in such election shall be disregarded. The Reference Amount shall accordingly be reduced to such amount as it would have been had the profits comprised in the total TTH amount never accrued to the Claimant. In this Paragraph 2.5, “total TTH amount” has the meaning given in paragraph 57 of Schedule 15 to the Finance Act 2019.
	2. **Calculation of RFCT Reference Amount where there is no Imposition**
		1. In relation to Ordinary Decommissioning Expenditure and subject to the remaining sub-paragraphs of this Paragraph 3, the RFCT Reference Amount for a Tax Period shall be equal to the amount of RFCT Relief or CT Relief that would under Enactment Date Legislation have arisen to the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) in all Tax Periods ending prior to the date of the Claim in respect of allowable Decommissioning Expenditure.
		2. For the purposes of this Paragraph 3, allowable Decommissioning Expenditure means Ordinary Decommissioning Expenditure incurred by the Claimant in the relevant Tax Period and allowable Deductible Expenditure means Deductible Expenditure incurred by the Claimant in the relevant Tax Period.
		3. This Paragraph 3.3 applies where there is no Imposition because the Claimant is an affiliate of a Defaulting Party.
			1. The RFCT Reference Amount of the Claimant in relation to the allowable Decommissioning Expenditure incurred by the Claimant which would be Imposition Decommissioning Expenditure but for the relationship between the Claimant and the Defaulting Party shall be the RFCT Reference Amount which would have applied to the Defaulting Party if the Defaulting Party had been a party to this Deed instead of the Claimant and had incurred the Decommissioning Expenditure.
			2. Where (i) the Claimant makes a Claim on the basis set out in this Paragraph 3.3, (ii) one or more claimants under this Deed or Similar Deeds (“**Other Claimants**”) make or may be entitled to make claims on a similar basis in relation to the same Defaulting Party and (iii) the Decommissioning Expenditure which is or would be the subject of that Claim and such other claim or claims exceeds the Tax Capacity of the Defaulting Party, the provisions of Paragraphs 8.2 to 8.4 shall apply in relation to this Paragraph 3.3.2 as they apply in relation to Paragraph 8.1.
		4. For the purposes of assessing the RFCT Relief that would arise in respect of allowable Decommissioning Expenditure under Enactment Date Legislation, any Difference Payment payable under Clause 5.2.3 (before any reduction of such Difference Payment under Clause 5.3) shall be treated as profits chargeable to Ring Fence Corporation Tax under Enactment Date Legislation.
		5. To the extent that in determining the amount of RFCT Relief that would arise under Paragraph 3.1 a Claimant has insufficient Tax Capacity to treat as relievable all of its allowable Decommissioning Expenditure because that Tax Capacity has already been reduced as a result of the Claimant’s incurring Imposition Decommissioning Expenditure or claiming relief for a loss made up of Imposition Decommissioning Expenditure pursuant to the provisions of Part 5 of CTA 2010, the RFCT Reference Amount for the relevant Tax Period shall be increased by the amount of additional RFCT Relief or CT Relief that the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) would have received in respect of allowable Decommissioning Expenditure under this Paragraph 3.5 had it not previously (or in the same Tax Period) incurred such Imposition Decommissioning Expenditure or claimed relief for such a loss.
		6. If a Claimant has insufficient Tax Capacity to treat as relievable all of its allowable Deductible Expenditure because that Tax Capacity has already been reduced as a result of the Claimant’s incurring Imposition Decommissioning Expenditure or claiming relief for a loss made up of Imposition Decommissioning Expenditure pursuant to the provisions of Part 5 of CTA 2010, the RFCT Reference Amount for the relevant Tax Period shall be, or be increased by, an amount equal to any reduction in liability to RFCT or repayment of RFCT or CT which the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) would have secured in respect of allowable Deductible Expenditure but for such insufficiency of Tax Capacity, to the extent that the insufficiency has not already been taken into account under Paragraph 3.5 or this Paragraph 3.6.
	3. **Calculation of SC Reference Amount where there is no Imposition**
		1. In relation to Ordinary Decommissioning Expenditure and subject to the remaining sub-paragraphs of this Paragraph 4, the SC Reference Amount for a Tax Period shall be equal to the amount of SC Relief that would under Enactment Date Legislation have arisen to the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) in all Tax Periods ending prior to the date of the Claim in respect of allowable Decommissioning Expenditure.
		2. For the purposes of this Paragraph 4, allowable Decommissioning Expenditure means Ordinary Decommissioning Expenditure incurred by the Claimant in the relevant Tax Period and allowable Deductible Expenditure means Deductible Expenditure incurred by the Claimant in the relevant Tax Period.
		3. The following provisions shall be applied when calculating the SC Relief for the purposes of Paragraph 4.1:—
			1. where the profits against which the Decommissioning Expenditure is set were subject to a rate of Supplementary Charge greater than 20%, such profits shall be treated as relieved at a rate equal to the lower of:—
				1. the rate of Supplementary Charge to which they were subject; and
				2. a rate of 20% plus (i) in cases where the rate of Ring Fence Corporation Tax to which such profits were subject was less than 30%, the number of percentage points by which that rate was less than 30%, or (ii) in other cases, nil;
			2. where such profits were subject to a rate of Supplementary Charge at or less than 20%, such profits shall be treated as relieved at that rate.
		4. This Paragraph 4.4 applies where there is no Imposition because the Claimant is an affiliate of a Defaulting Party.
			1. The SC Reference Amount of the Claimant in relation to the allowable Decommissioning Expenditure incurred by the Claimant which would be Imposition Decommissioning Expenditure but for the relationship between the Claimant and the Defaulting Party shall be the SC Reference Amount which would have applied to the Defaulting Party if the Defaulting Party had been a party to this Deed instead of the Claimant and had incurred the Decommissioning Expenditure.
			2. Where (i) the Claimant makes a Claim on the basis set out in this Paragraph 4.4, (ii) one or more claimants under this Deed or Similar Deeds (“**Other Claimants**”) make or may be entitled to make claims on a similar basis in relation to the same Defaulting Party and (iii) the Decommissioning Expenditure which is or would be the subject of that Claim and such other claim or claims exceeds the Tax Capacity of the Defaulting Party, the provisions of Paragraphs 8.2 to 8.4 shall apply in relation to this Paragraph 4.4.2 as they apply in relation to Paragraph 8.1.
		5. For the purposes of assessing the SC Relief that would arise in respect of allowable Decommissioning Expenditure under Enactment Date Legislation, any Difference Payment payable under Clause 5.2.3 (before any reduction of such Difference Payment under Clause 5.3) shall be treated as profits chargeable to Supplementary Charge under Enactment Date Legislation.
		6. To the extent that in determining the amount of SC Relief that would arise under Paragraph 4.1 a Claimant has insufficient Tax Capacity to treat as relievable all of its allowable Decommissioning Expenditure because that Tax Capacity has already been reduced as a result of the Claimant’s incurring Imposition Decommissioning Expenditure or claiming relief for a loss made up of Imposition Decommissioning Expenditure pursuant to the provisions of Part 5 of CTA 2010, the SC Reference Amount for the Tax Period shall be increased by the amount of additional SC Relief that the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) would have received in respect of allowable Decommissioning Expenditure under this Paragraph 4.6 had it not previously (or in the same Tax Period) incurred such Imposition Decommissioning Expenditure or claimed relief for such a loss.
		7. If a Claimant has insufficient Tax Capacity to treat as relievable all of its allowable Deductible Expenditure because that Tax Capacity has already been reduced as a result of the Claimant’s incurring Imposition Decommissioning Expenditure or claiming relief for a loss made up of Imposition Decommissioning Expenditure pursuant to the provisions of Part 5 of CTA 2010, the SC Reference Amount for the Tax Period shall be, or be increased by, an amount equal to any reduction in liability to Supplementary Charge or repayment of Supplementary Charge which the Claimant (or another party pursuant to the provisions of Part 5 of CTA 2010) would have secured in respect of allowable Deductible Expenditure but for such insufficiency of Tax Capacity, to the extent that the insufficiency has not already been taken into account under Paragraph 4.6 or this Paragraph 4.7.
	4. **Calculation of PRT Reference Amount**
		1. In relation to Ordinary Decommissioning Expenditure and subject to Paragraph 5.4, the PRT Reference Amount for a Tax Period shall be equal to the amount of PRT Relief that would arise to the Claimant in respect of the relevant Field in that Tax Period and all earlier Tax Periods if Ordinary Decommissioning Expenditure incurred by the Claimant in those Tax Periods were set against Available Profits for those Tax Periods, applying Enactment Date Legislation. If a default has occurred and so section 84(2) FA 2013 applies, the PRT Reference Amount shall also include the amount of PRT Relief in respect of such Ordinary Decommissioning Expenditure that would have arisen to any of the Claimant’s predecessors in title under Enactment Date Legislation but for the application of that section.
		2. In relation to Imposition Decommissioning Expenditure, the PRT Reference Amount for a Tax Period shall be equal to the amount of PRT Relief that would arise in respect of the relevant Field in that Tax Period and all earlier Tax Periods, applying Enactment Date Legislation, if Imposition Decommissioning Expenditure incurred by the Claimant in those Tax Periods were set against Remaining Available Profits for those Tax Periods of the Claimant and its predecessors in title (whether or not still in existence) or the Defaulting Party and its predecessors in title (whether or not still in existence), at the option of the Claimant in accordance with Clause 6.1.4(b). For the purposes of this calculation:—
		3. any Ordinary Decommissioning Expenditure shall be taken into account in accordance with Paragraph 5.1 before any Imposition Decommissioning Expenditure is taken into account in accordance with this Paragraph 5.2; and

* + 1. **“Remaining Available Profits”** are so much of the Available Profits as (i) are not and have not been otherwise taken into account in accordance with Paragraph 5.1, or under a provision equivalent to Paragraph 5.1 or to this Paragraph 5.2 in any Similar Deed, and (ii) are not and have not been the subject of a claim for relief by any other person.
		2. If PRT shall have been abolished, then the last Tax Period for which PRT was chargeable shall be taken as being the relevant Tax Period for the purposes of applying Paragraphs 5.1 and 5.2 and the PRT Reference Amount shall be determined by reference to the PRT Relief that would have arisen to the Claimant if the Decommissioning Expenditure had been incurred in that Tax Period.
		3. Where there is no Imposition because the Claimant is an affiliate of a Defaulting Party, the Decommissioning Expenditure incurred by the Claimant which would be Imposition Decommissioning Expenditure but for the relationship between the Claimant and the Defaulting Party shall nevertheless be treated as Imposition Decommissioning Expenditure for the purposes of calculating the PRT Reference Amount pursuant to this Paragraph 5. The HMRC Certificate submitted by the Claimant in accordance with Clause 6.1.4(b) in respect of the relevant Claim shall be that of the Defaulting Party, but no account shall be taken of any PRT Relief that would have arisen to a predecessor in title of the Defaulting Party.
		4. For the purposes of calculating PRT Relief where Imposition Decommissioning Expenditure has been incurred by the Claimant in respect of any Field, it shall not be required in respect of such expenditure to make use of any ability to set off an unrelieved field loss against the profits earned in respect of any other Field before making a Claim.
	1. **Calculation of RFCT Reference Amount in an Imposition**

The RFCT Reference Amount for any Tax Period in respect of Imposition Decommissioning Expenditure incurred by the Claimant in that period shall be calculated by multiplying that expenditure by thirty per cent (30%).

* 1. **Calculation of SC Reference Amount in an Imposition**

The SC Reference Amount for any Tax Period in respect of Imposition Decommissioning Expenditure incurred by the Claimant in that period shall be calculated by multiplying that expenditure by twenty per cent (20%).

* 1. **Calculation of PRT Reference Amount in an Imposition: Multiple Claimants**
		1. This Paragraph 8 shall apply where (i) the Claimant makes a Claim which relies on the Tax Capacity of a Defaulting Party (including where relevant the Tax Capacity of any of its predecessors in title), (ii) one or more claimants under Similar Deeds (“**Other Claimants**”) make or may be entitled to make claims which also rely on that Tax Capacity and (iii) the Decommissioning Expenditure which is or would be the subject of that Claim and such other claim or claims exceeds that Tax Capacity.
		2. Upon becoming aware that the circumstances described in Paragraph 8.1 exist, the Government Counterparty shall notify the Claimant and shall use reasonable endeavours to identify any potential Other Claimants (and the Claimant shall render such reasonable assistance as may be requested for such purpose).
		3. The relevant Tax Capacity shall be apportioned between the Claim and those other claims or potential claims so that the aggregate entitlement available under this Deed and the other deeds referred to in Paragraph 8.1 (taken together) is shared between the Claimant and the Other Claimants (including those who have not yet made a related claim) pro rata according to the amount of the Decommissioning Expenditure attributable to the Defaulting Party that is borne by them, unless the Government Counterparty, the Claimant and the Other Claimants agree an alternative apportionment.
		4. Upon the final determination of the apportionment of the relevant Tax Capacity in accordance with Paragraph 8.3, the Government Counterparty shall issue to the Claimant and the Other Claimants notices setting out the amount of the relevant Tax Capacity respectively apportioned to them (each an “**Apportionment Notice**”). The amount of Tax Capacity stated in the Apportionment Notice issued to the Claimant shall be final and binding for the purposes of this Deed.
	2. **Other Issues**
		1. Decommissioning Expenditure shall not give rise to a Difference Payment in respect of:—
			1. Ring Fence Corporation Tax (an “**RFCT Difference Payment**”) under Clause 5.2.1, if and to the extent that (i) a person other than the Claimant has obtained an RFCT Difference Payment under this Deed or a Similar Deed by virtue of that expenditure, or (ii) any person has obtained RFCT Relief in respect of that expenditure (whether directly or pursuant to the provisions of Part 5 of CTA 2010);
			2. Supplementary Charge (an “**SC Difference Payment**”) under Clause 5.2.2, if and to the extent that (i) a person other than the Claimant has obtained an SC Difference Payment under this Deed or a Similar Deed by virtue of that expenditure, or (ii) any person has obtained SC Relief in respect of that expenditure (whether directly or pursuant to the provisions of Part 5 of CTA 2010); or
			3. PRT (a “**PRT Difference Payment**”) under Clause 5.2.3, if and to the extent that (i) a person other than the Claimant has obtained a PRT Difference Payment under this Deed or a Similar Deed by virtue of that expenditure, or (ii) any person has obtained PRT Relief in respect of that expenditure.
		2. For the avoidance of doubt, but subject to Clause 6.10, nothing in this Deed shall apply to prevent a Claim, in circumstances where the Claimant shall have received reimbursement of Decommissioning Expenditure from a trustee under decommissioning security arrangements or from a bank, insurance company or similar entity pursuant to a call on a letter of credit or bond in favour of the Claimant or any similar arrangement, merely because such trustee, bank, insurance company or similar entity has claimed a relief from Tax in respect of such payment.
		3. Any Reference Amount calculated under Paragraph 3.1 or Paragraph 6.1 shall be increased by the amount of any Tax on Decommissioning Expenditure (not being a Tax in existence on the Enactment Date) which is payable by a Claimant in respect of the Decommissioning Expenditure taken into account in calculating such Reference Amount, less the amount of any reduction in Ring Fence Corporation Tax, Supplementary Charge or PRT arising as a result of bearing such Tax.