Exploration or exploitation rights

1 Exploration or exploitation rights

(1) In section 1313 of CTA 2009 (activities in UK sector of continental shelf)—

(a) in subsection (1)—

(i) in the words before paragraph (a), omit "profits",

(ii) in that paragraph, at the beginning insert "profits",

(iii) for paragraph (b) substitute—

"(b) other profits from immovable property connected with the UK seabed and subsoil,",

(b) in subsection (2)—

(i) in the words before paragraph (a), omit "profits arising to a non-UK resident company",

(ii) in that paragraph, at the beginning insert "profits arising to a non-UK resident company", and

(iii) for paragraph (b) substitute—

"(b) other profits arising to a non-UK resident company from immovable property connected with the UK seabed and subsoil,", and

(c) after that subsection insert—

"(2A) For the purposes of this section "immovable property connected with the UK seabed and subsoil" includes exploration or exploitation rights.", and

(d) in subsection (3)—

(i) in the definition of "exploration or exploitation activities", for the words from "so" to the end substitute "the UK seabed and subsoil",

(ii) omit the "and" after the definition of "exploration or exploitation rights", and

(iii) after that definition insert—

""UK seabed and subsoil" means so much of the seabed and subsoil and their natural resources as is situated in the United Kingdom or the UK sector of the continental shelf, and".

(2) The amendments made by subsection (1) have effect in relation to accounting periods beginning on or after 13 July 2026.

(3) In section 874 of ITTOIA 2005 (activities in UK sector of continental shelf)—

(a) in subsection (1)—

(i) in the words before paragraph (a), omit "profits",

(ii) in that paragraph, at the beginning insert "profits", and

(iii) for paragraph (b) substitute—

"(b) other profits from immovable property connected with the UK seabed and subsoil,",

(b) after that subsection insert—

“(1A) For the purposes of this section “immovable property connected with the UK seabed and subsoil” includes exploration or exploitation rights.”, and

(c) in subsection (2)—

(i) in the definition of “exploration or exploitation activities”, for the words from “so” to the end substitute “the UK seabed and subsoil”,

(ii) omit the “and” after the definition of “exploration or exploitation rights”, and

(iii) after that definition insert—

““UK seabed and subsoil” means so much of the seabed and subsoil and their natural resources as is situated in the United Kingdom or the UK sector of the continental shelf, and”.

(4) The amendments made by subsection (3) have effect for the tax year 2027-28 and subsequent tax years.