



Am. 134 IV 318

TRINIDAD AND TOBAGO

No. 48—1955

[L.S.]

I ASSENT,

E. B. BEETHAM

Governor.

31st December, 1955.

AN ORDINANCE to amend the Income Tax (In Aid of Industry) Ordinance, Ch. 33. No. 2.

[31st December, 1955.]

Commencement.

ENACTED by the Governor of Trinidad and Tobago with the advice and consent of the Legislative Council thereof.

Enactment.

1. This Ordinance may be cited as the Income Tax (In Aid of Industry) (Amendment) Ordinance, 1955, and shall be read as one with the Income Tax (In Aid of Industry) Ordinance, in this Ordinance referred to as the Principal Ordinance.

Short title and construction.

Ch. 33. No. 2.

Section 22 of
Principal
Ordinance
amended.

2. Section 22 of the Principal Ordinance is hereby amended by inserting at the end thereof the following new subsection to be numbered (3):—

“(3) Notwithstanding anything to the contrary contained in this section, where a submarine well allowance under Part IIIA of this Ordinance is claimed by any company in respect of any submarine well for any basis period, then, for the purposes of calculating any initial allowance to be granted to such company for the same basis period, there shall be left out of account, in computing the expenditure to which this Part of this Ordinance applies, any expenditure incurred in connection with the same well.”

Section 23 of
Principal
Ordinance
amended.

3. Section 23 of the Principal Ordinance is hereby amended—

(a) by adding at the end of subsection (5) thereof the following new paragraph to be lettered (d):—

“(d) in the case of a company which carries on or has carried on in the Colony a trade consisting of or including the production of oil or gas from any submarine well or wells within the meaning of Part IIIA of this Ordinance, any submarine well allowance which has been made to such company under the said Part IIIA for any previous year of assessment in respect of any submarine well on which that expenditure or any part thereof has been incurred.”

(b) by adding at the end thereof the following new subsections to be numbered (6) and (7):—

“(6) Notwithstanding anything to the contrary contained in this section, for the purpose of calculating any annual allowance for any basis period to be granted under subsection (1) of this section to any company which has claimed a submarine well allowance under Part IIIA of this Ordinance in respect of any submarine well for the same basis period there shall be left out of account, in computing the expenditure to which this Part of this Ordinance applies, any expenditure incurred in connection with such submarine well during the same basis period.

(7) Without prejudice to the provisions of section 68 of the Income Tax Ordinance every company as defined in Part IIIA of this Ordinance, and every other company to which the

said Part IIIA applies, which carries on in the Colony a trade which consists of or includes the production of oil or gas from any submarine well or wells, shall keep separate and distinct accounts and records in respect of each such submarine well in such form as shall be approved by the Commissioner showing clearly in respect of each material basis period within the meaning of the said Part IIIA the expenditure to which this Part of this Ordinance applies which has been incurred in respect of such submarine well. All such accounts and records kept by a company shall be produced by the company for inspection by the Commissioner or any person authorised by him in that behalf at all reasonable times at such place as the Commissioner may direct."

4. There shall be inserted in the Principal Ordinance immediately after Part III thereof the following new Part:—

New Part IIIA
inserted in
Principal
Ordinance.

"PART IIIA

SUBMARINE OIL WELLS

Definitions.

26A. In this Part of this Ordinance—

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"company" means a company (a) which is formed and registered under the Companies Ordinance, or is an existing company within the meaning of the said Ordinance or is a company incorporated in the United Kingdom or some other Commonwealth country, and (b) the central management and control of which abides exclusively in the Colony;

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"drainage area", in relating to a well, means a circular area of one hundred and fifty feet radius having the centre of the borehole of the well at the surface as its centre except when the well is inclined from the vertical in which case the centre of the circular area shall be at a point at the surface approved by the Petroleum Technologist or any Assistant Petroleum Technologist appointed under the Petroleum Department and Conservation Board Ordinance;

“material basis period” means a basis period occurring between the 1st January, 1955, and the 31st December, 1981;

“submarine area” means land underlying the sea waters surrounding the coast of the Colony below high water mark at ordinary spring tides, including the seabed and subsoil situated beneath the territorial waters of the Colony and the seabed and subsoil annexed to Her Majesty’s dominions and attached for administrative purposes to the Colony by virtue of the Submarine Areas of the Gulf of Paria (Annexation) Order, 1942;

“submarine well” means a well drilled under and in accordance with a licence granted under the Submarine (Oil Mining) Regulations, being a well the surface outlet and the centre of the drainage area of which are in a submarine area and the centre of the drainage area of which is not less than 2,000 feet from high water mark; and includes any other well the surface outlet of which is in a submarine area and which in exceptional circumstances and for special reasons the Governor in Council has directed the Commissioner to treat as a submarine well;

“well” includes every borehole drilled or sunk, or in the course of being drilled or sunk, for the purpose of producing petroleum oil or natural gas.

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p. 835.

Submarine
Well
Allowance.

26B. (1) Subject to the provisions of this Part of this Ordinance, in ascertaining the chargeable income for any material basis period of any company which carries on in the Colony a trade which consists of or includes the production of oil or gas from any submarine well, there shall be allowed a deduction (in this Part and in Part III of this Ordinance referred to as a submarine well allowance) of such percentage of the gross value of the production from such well as is hereinafter specified namely :—

for the purposes of every basis period for the years of assessment 1956 to 1960 inclusively, ten per centum;

for the purposes of every basis period for the years of assessment 1961 to 1965 inclusively, fifteen per centum;

for the purposes of every basis period for the years of assessment 1966 to 1982 inclusively, twenty per centum:

Provided that such deduction shall not, for the purposes of an assessment for any basis period exceed forty per centum of the chargeable income of such company for that basis period, computed without the deduction of any allowances under Part III or this Part of this Ordinance, in so far as that income is derived from the production from such well :

Provided further that a deduction under this section shall not be granted to any company unless such company has applied for the same in accordance with the requirements of section 26C of this Ordinance.

(2) Notwithstanding anything to the contrary contained in this section, a submarine well allowance shall not be claimable by any company in respect of any submarine well for any basis period for which such company has claimed any allowance under Part III of this Ordinance in respect of the expenditure upon such submarine well.

(3) The gross value of the production in respect of any submarine well for the purposes of this section shall be—

(a) in the case of the gas produced therefrom and sold, the amount of the sale moneys for such gas;

(b) in the case of the oil produced therefrom, the Field Storage Value of such oil as determined under the Land (Oil Mining) Regulations, as from time to time amended.

(4) In order to remove doubts it is hereby declared that where gas produced from any submarine well is not sold it shall be treated as of no value for the purposes of determining the gross value of the production in respect of such well under subsection (3) of this section.

Applications
for Submarine
Well
Allowance.

26C. An application for a submarine well allowance in respect of any material basis period shall be in writing addressed to the Commissioner and shall be accompanied by such documents and particulars, if any, as may be prescribed.

Accounts
and records.

26D. (1) Without prejudice to the provisions of section 68 of the Income Tax Ordinance, every company (including companies to which this Part of this Ordinance is applied by section 26E thereof) carrying on in the Colony a trade which consists of or includes the production of oil or gas from any submarine well or wells shall keep separate and distinct accounts and records in respect of each such submarine well in such form as shall be approved by the Commissioner, showing clearly in respect of each material basis period—

- (a) the quantity of oil produced from such submarine well;
- (b) the quantity of gas produced from such submarine well which is sold and the price or prices for which it is sold;
- (c) such other matters as may be prescribed.

(2) The Commissioner may issue directions in writing to any such company as is mentioned in subsection (1) of this section for the purpose of ensuring that accounts and records are kept by such company in such a manner as to enable the Commissioner accurately and readily to determine the submarine well allowance, if any, which may be granted to such company under this Part of this Ordinance in respect of any submarine well for any material basis period.

(3) All accounts and records kept by a company in pursuance of subsection (1) of this section shall be produced by the company for inspection by the Commissioner or any person authorised by him in writing in that behalf at all reasonable times at such place as the Commissioner may direct.

(4) Notwithstanding anything to the contrary contained in this Part of this Ordinance no claim for a submarine well allowance for any basis period shall be entertained from any company which has failed to comply, in respect of such basis period,—

- (a) with any requirement of subsection (1) or subsection (3) of this section, or

- (b) with any direction issued by the Commissioner under subsection (2) of this section.

Extension
of provisions
of this Part
of this
Ordinance.

26E. (1) Notwithstanding anything to the contrary herein contained, the provisions of this Part of this Ordinance shall also apply in respect of a company (other than a company as defined in this Part of this Ordinance) which the Commissioner is satisfied—

- (a) is incorporated inside or outside the Colony, and
- (b) carries on in the Colony a trade which consists of or includes the production of oil or gas from any submarine well or wells, and
- (c) either (i) is not subject to taxation on its income accruing in or derived from the Colony in any country other than the Colony;
- or (ii) is allowed in all the countries in which it is subject to taxation on its income accruing in or derived from the Colony, a deduction from its said income of an allowance fixed by reference to a percentage of the gross income or the net income or both from the production by it in the Colony of oil or natural gas or both :

Provided always that the submarine well allowance made to such a company shall not exceed the amount of the deduction which such company would be allowed as aforesaid under the laws of any country other than the Colony in which such company is subject to taxation on its income accruing in or derived from the Colony.

(2) The question whether a company is a company to which sub-paragraph (ii) of paragraph (c) of subsection (1) of this section applies shall be determined without reference to any consideration as to whether such company is subject to taxation on its income, or would be allowed any deduction from its income, under the laws of the Colony.

Regulations.

26F. The Governor in Council is hereby authorised to make regulations for carrying this Part of this Ordinance into effect and in particular such regulations may prescribe anything which may be prescribed under the said Part."

Passed in Council this twenty-third day of December, in the year of Our Lord one thousand nine hundred and fifty-five.

T. F. FARRELL
Clerk of the Council