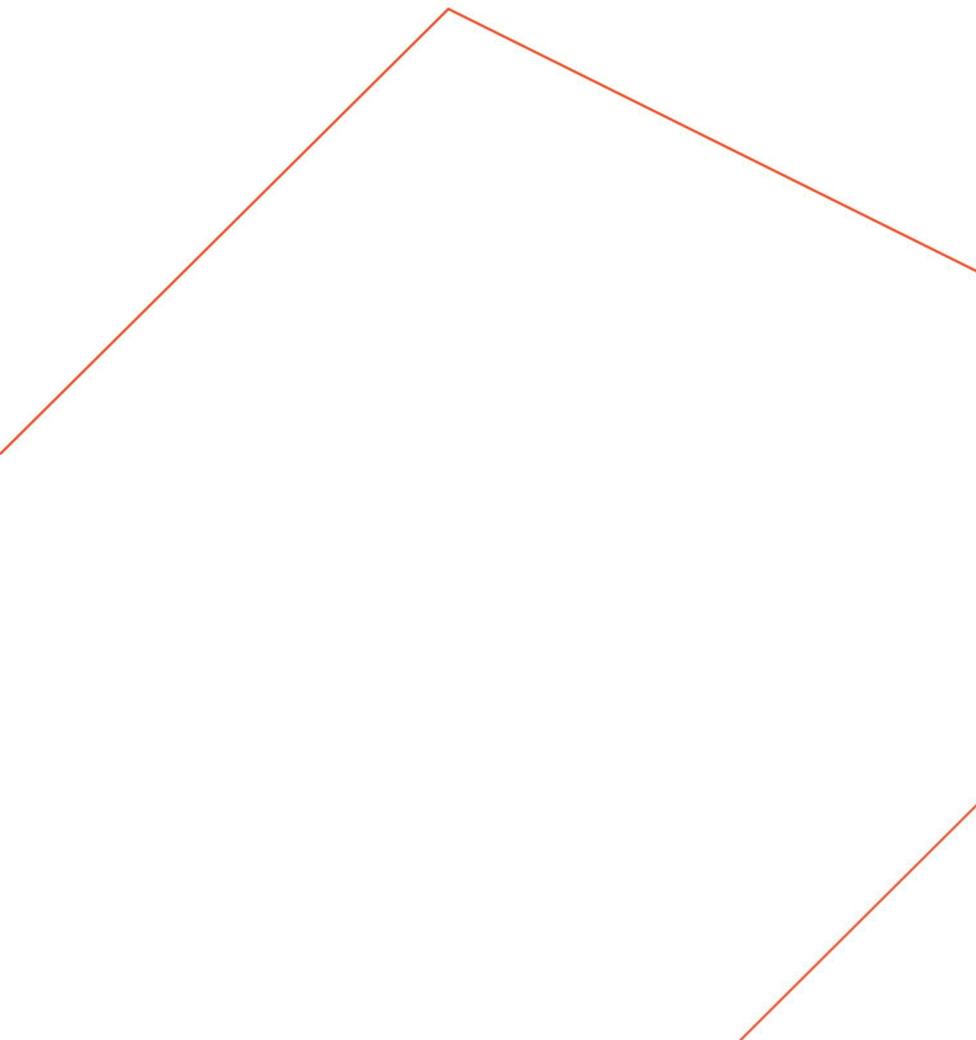




# Services supplied to Harbour Energy UK companies

UK VAT note



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## 1.0 Introduction

Whilst it is the responsibility of the supplier to apply the correct VAT treatment (and not charge VAT where VAT is not due), we recognise that the area is confusing. This note is to:

- provide UK VAT registered suppliers with relevant information on Harbour Energy UK operations; and
- refer you to relevant guidance.

The purpose of the information is to assist UK VAT registered businesses in determining the VAT treatment to be applied to your invoices for services supplied to Harbour Energy UK for its UK offshore operations.

**THIS NOTE IS NOT EXHAUSTIVE AND IS FOR INFORMATION PURPOSES ONLY. NOTHING HEREIN CONSTITUTES TAX, CUSTOMS OR LEGAL ADVICE. YOU SHOULD CONSULT WITH PROFESSIONAL ADVISERS TO ENSURE THAT YOU ARE AWARE OF AND APPROPRIATELY DISCHARGE ALL OF YOUR VAT OBLIGATIONS.**

### 1.1 Sources of guidance

In the context of services supplied to Harbour Energy UK companies which may relate to offshore operations, you may find the following 3 sources helpful:

- HMRC's VAT Notice 741A: <https://www.gov.uk/guidance/vat-place-of-supply-of-services-notice-741a>
- HMRC's VAT Place of Supply of Services VAT internal manual (detailed technical guidance): <https://www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services>
- The oil and gas industry's North Sea Memorandum accessed <http://www.ukoitc.org/>

### 1.2 UK continental Shelf ('UKCS')

It is important to take note of the following:

- The VAT territory of the UK includes the land, and extends to 12 nautical miles from the coastline (i.e. the UK territorial waters);
- the UKCS is more than 12 nautical miles from the UK; and
- the UKCS is therefore outside the UK for VAT purposes (refer to <https://www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services/vatposs03500>, and the definitions set out in the North Sea Memorandum).

## 2.0 Harbour Energy offshore operations

### 2.1 Harbour Energy UK operating companies

The following companies operate offshore locations:

- Chrysaor North Sea Limited
- Chrysaor Limited
- Chrysaor (U.K.) Britannia Limited
- Chrysaor Production (U.K.) Limited
- Chrysaor Petroleum Company U.K. Limited
- Premier Oil UK Limited

Further detail is set out in the table in the Appendix.

### 2.2 Harbour Energy UK offshore operations

Harbour Energy confirms the following:

- All UK offshore locations operated by a Harbour Energy UK company are situated on the UKCS
- All Harbour Energy UK platforms and subsea facilities situated on the UKCS are fixed to the seabed

Further detail is set out the in table in the Appendix.

## 3.0 Categories of services & VAT

### 3.1 Categories of services

The VAT treatment of services supplied to Harbour Energy UK companies will depend on the nature of the services, and the place of supply of those services. In this context, the types of services procured by Harbour Energy UK companies can be categorised into one of the following:

- Services for onshore locations
- Services for offshore platforms on the UKCS
- Services relating to offshore exploration sites

#### 3.1.1 Services for onshore locations

We would generally expect these to fall under the general rule for place of supply of services and therefore be subject to VAT when supplied to us by a VAT registered business established in the UK (although there are some exceptions depending on the nature of the services).

Addressing the invoice to one of our onshore offices does not automatically render it falling within this category.

#### 3.1.2 Services for offshore platforms on the UKCS

Some issues to consider are:

Q: Is it a land-related service, or some 'other service'?; and

Q: If it is another service, is the service supplied to an offshore platform?

##### *Land related services*

You may find the following sources of information helpful:

- Section 7 of HMRC's VAT Notice 741A states that the place of supply for land-related services is not where the customer belongs, but where the land is situated; and
- Paragraph 7, page 5 of the North Sea Memorandum reiterates this.

In addition, HMRC's VAT Place of Supply of Services internal manual:

- Confirms Fixed North Sea oil rigs are regarded as land [www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services/vatposs07300](http://www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services/vatposs07300); and
- Provides examples of land-related services [www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services/vatposs07500](http://www.gov.uk/hmrc-internal-manuals/vat-place-of-supply-services/vatposs07500).

In this context, it is also relevant to bear in mind that (as stated in para 1.2 above) the UKCS is situated outside the UK for VAT purposes.

If you are supplying services for one of our offshore sites or assets (e.g. repair, maintenance, inspection etc), you should consider carefully if your supply is outside the scope of VAT, based on the above guidance.

### *Other services*

If you consider that the nature of your services do not fall within land-related services, you should consider if the services are being supplied for/received by an offshore platform:

- Para 3.5 of HMRC's VAT notice 741A confirms that a fixed offshore production platform is a fixed establishment of the operating company;
- Section 4 of HMRC's VAT notice 741A contains guidance on how to deal with situations when a customer has more than one establishment (e.g. an onshore office and offshore fixed rig platform); and
- Section 7 (pages 4-5) of the Memorandum, refers to services provided to operators of offshore platforms on the UKCS.

The table in the Appendix sets out in detail the nature of the Harbour Energy UK offshore assets and locations, which you should use to decide if the place of supply of your services is the offshore location and outside the scope of UK VAT.

### 3.1.3 Services relating to offshore exploration sites (not platforms)

The definition of land is accepted as including the seabed.

As explained above, some services are deemed to relate to land, e.g. seismic surveying (as confirmed in HMRC's internal manual [VATPOSS07600 - Land-related services: Examples of land-related services](#)).

You may find the following sources of information helpful:

- Section 7 of HMRC's VAT Notice 741A confirms that the place of supply for land-related services is where the land is; and
- Paragraph 7, page 5 of the Memorandum reiterates this.

If you are supplying services relating to an exploration site on the UKCS, you should consider carefully if your supply is outside the scope of VAT as a land-related service.

## 4.0 Appendix

Offshore Area	Offshore field	Operating company	Description of facilities
<b>AELE Hub</b>	Armada	Chrysaor North Sea Limited	manned offshore platform, fixed to seabed
	Everest	Chrysaor Limited	manned offshore platform, fixed to seabed
	Lomond	Chrysaor Limited	manned offshore platform, fixed to seabed
<b>Greater Britannia Area</b>	Britannia	Chrysaor (U.K.) Britannia Limited	manned offshore platform, fixed to seabed
	Brodgar	Chrysaor Production (U.K.) Limited	subsea, fixed to seabed (unmanned)
	Callanish	Chrysaor Production (U.K.) Limited	subsea, fixed to seabed (unmanned)
	Enochdhu	Chrysaor Petroleum Company U.K. Limited	subsea, fixed to seabed (unmanned)
<b>J-Area</b>	Judy	Chrysaor Petroleum Company U.K. Limited	manned offshore platform, fixed to seabed
	Jade	Chrysaor Petroleum Company U.K. Limited	unmanned offshore platform, fixed to seabed
	Jasmine	Chrysaor Petroleum Company U.K. Limited	manned offshore platform, fixed to seabed
<b>West of Shetland</b>	Solan	Premier Oil UK Limited	manned offshore platform, fixed to seabed
<b>Southern North Sea</b>	Tolmount	Premier Oil UK Limited	unmanned offshore platform, fixed to seabed
	Johnstone	Premier Oil UK Limited	subsea, fixed to seabed (unmanned)
<b>Catcher Area</b>	Catcher, Varadero & Burgman	Premier Oil UK Limited	subsea facilities fixed to seabed, connected to FPSO vessel operated by a 3 <sup>rd</sup> party