

Kangisser in Upstream: UK Government Cuts Oil and Gas Investment Allowance, Hikes Headline Tax Rate

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The United Kingdom government has increased the oil and gas industry headline tax rate and removed investment allowances in its autumn budget. Haynes Boone Partner [Glenn Kangisser](#) discussed what this means for new exploration and for the UK's energy security and tax revenue with *Upstream*. Read an excerpt below.

Glenn Kangisser, partner in legal firm Haynes Boone's London energy team, told *Upstream*: "This move is expected to discourage new exploration and development activities in the UK Continental Shelf (UKCS) by significantly reducing returns and incentives for companies operating in the sector. Consequently, capital spending and employment within the industry may decline substantially." ...

The fiscal changes "coincide with a review of the licensing system and a pause on the issuance of new licenses, creating further uncertainty for the sector. In the long run, these measures may negatively impact the UK's energy security and tax revenue. Reduced domestic oil and gas production could lead to increased reliance on imports, while a shrinking tax base may result in the sector contributing less to public finances," Kangisser said.

[Read the full article from *Upstream*.](#)