

Computer software. ITA67 s241A(1) and (2); FA94 s24(a) 291.—(1) Where a person carrying on a trade incurs capital expenditure in acquiring for the purposes of the trade a right to use or otherwise deal with computer software, then, for the purposes of this Chapter and Chapter 4 of this Part—

- (a) the right and the software to which the right relates shall be treated as machinery or plant,
- (b) such machinery or plant shall be treated as having been provided for the purposes of the trade, and
- (c) for so long as the person is entitled to the right, that machinery or plant shall be treated as belonging to that person.

(2) In any case where—

- (a) a person carrying on a trade incurs capital expenditure on the provision of computer software for the purposes of the trade, and
- (b) in consequence of the person incurring that expenditure, the computer software belongs to that person but does not constitute machinery or plant,

then, for the purposes of this Chapter and Chapter 4 of this Part, the computer software shall be treated as machinery or plant.