

Expenditure on abortive exploration. F(TPCM)A74 s3(2) to (5); CTA76 s21(1) and Sch1 par65; FA90 s39(b) 674.— (1) (a) Where a person who commences to carry on a trade of working a qualifying mine has incurred exploration expenditure and that expenditure was not incurred in connection with the qualifying mine, then, subject to paragraph (b), in taxing the trade for the chargeable period in which the person commences to carry on the trade, there shall be made an allowance of an amount equal to the amount of that expenditure.

(b) For the purposes of paragraph (a), no account shall be taken of exploration expenditure incurred before the 1st day of April, 1990, if the expenditure was incurred more than 10 years before the date on which the person commences to carry on the trade of working the qualifying mine.

(2) Where in a case referred to in subsection (1) the person concerned is a body corporate and there was or is, after all or part of the expenditure referred to in that subsection had been incurred by the body corporate, a change in ownership ) of the body corporate or of a body corporate that is a parent body or a wholly-owned subsidiary ) of the first-mentioned body corporate, no allowance shall be made under this section in respect of any part of that expenditure incurred before the date of the change in ownership; but, in any case where part of the ordinary share capital of any body corporate is acquired by a Minister of the Government, such acquisition shall be disregarded in determining whether or not there was or is such a change in ownership.

(3) Where a person commences to carry on the trade of working a qualifying mine but has not incurred the exploration expenditure incurred in connection with that mine, no allowance shall be made under this section or by virtue of section 673 in respect of exploration expenditure incurred by that person before the date on which that person commences to carry on that trade.

(4) Subject to paragraphs 16 and 18 of Schedule 32, a person shall not be entitled to an allowance in respect of the same expenditure both under this section and under some other provision of the Tax Acts.