HMRC - OT17570 - PRT: Safeguard - Accumulated Capital Expenditure

OTA75\S9(3)

The accumulated capital expenditure of a participator in a field at the end of a particular chargeable period is

the total amount of expenditure qualifying for supplement, allowed to him under Schedules 5 and 6 in determining assessable profits/allowable losses in that and all earlier chargeable periods

but excluding the related supplement.

Accumulated capital expenditure is also known colloquially as the ‘safeguard capital base’.

See OT17650 where expenditure is allowed on appeal, late or reclassified.

Where there is a transfer of the field interest there are special rules governing the treatment of the accumulated capital expenditure in FA80\Sch17\Para8, see OT18060.

Where an adjustment is made restricting the allowance of supplement following the disposal of a chargeable asset (see OT15300), OTA83\S7(6)(b) ensures that a corresponding adjustment is made to the accumulated capital expenditure at the end of that period.

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