HMRC - OT26230 - Capital Allowances: Extended Ring Fence Expenditure Supplement For Onshore Activities - Qualifying Pre-Commencement Onshore Expenditure

CTA2010\S329G

Expenditure is qualifying pre-commencement onshore expenditure if the following conditions are satisfied.

Condition A: it is incurred on or after 5 December 2013.

Condition B: it is incurred in the course of oil extraction activities which are onshore oil-related activities.

Condition C: it is incurred by a company with a view to carrying on a ring fence trade but before they set up and commence the trade.

Condition D: it is

subsequently allowable as a deduction in calculating the profits of the ring fence trade for the commencement period (OT26210), or

relevant R&D expenditure incurred by an SME.

Such qualifying expenditure will include capital expenditure allowable under the Capital Allowances Act 2001.

For the purposes of this section ‘Relevant R&D incurred by an SME’ is as defined in CTA2010\S312(6) to (9).

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