HMRC - OT26608 - Capital Allowances: Long Life Assets - Are Floating Production Storage And Offloading Vessels Long Life Assets?

This is a question of fact, however HMRC consider that:

The hull of an FPSO, considered alone, could be expected to have a life in excess of 25 years.

The processing equipment, although field specific, could be modified for use in another sector or field without such wholesale change as to represent the creation of a new asset and so its expected life will not necessarily be restricted to the life of the field.

The mooring and offloading equipment will may likewise be specific to the field and/or sector in which the FPSO is in use but again could be modified for use elsewhere and so its expected life will not necessarily be restricted to the life of the field.

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