HMRC - OT26755 - Production Sharing Contracts - Provision Of Plant And Machinery

CAA01\S168(1)(a) and CAA01\S169(1)(b) also require that the expenditure is capital and is expended on the provision of plant and machinery. Allowances will be available in circumstances where title in the plant passes directly from manufacturer to government or designated representative provided that the contractor has borne the cost of the plant.

Allowances would not be available if, for example, the contractor had simply acted as a “middleman” or agent, putting the government and manufacturer in touch with each other.

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