HMRC - OT28010 - Outline Of The Legislation

The rules which provide relief for expenditure incurred in decommissioning installations and equipment used in a ring fence trade are in CAA2001\S162 to CAA2001\S165. With effect from 12 March 2008 (FA2008\S109) the legislation refers to this as general decommissioning expenditure, it was previously known as abandonment expenditure. This change reflects the extended scope of the relief from that date.

The rules that provide relief for decommissioning expenditure connected with the reuse of offshore infrastructure are in CAA2001\S161A to CAA2001\S161D. These rules were introduced in FA2001.

The legislation on general decommissioning expenditure is

CAA2001\S162

This gives the meaning of the term ring fence trade and treats it as a separate qualifying activity for decommissioning expenditure.

CAA2001\S163

This gives the meaning of general decommissioning expenditure

CAA2001\S164

This provides for a special allowance for general decommissioning expenditure incurred before the cessation of a ring fence trade.

CAA2001\S165

This provides for relief for general decommissioning expenditure after the cessation of a ring fence trade within a specified period.

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The legislation on reuse is

CAA2001\S161A

This gives the meaning of offshore infrastructure.

CAA2001\S161B

This gives the meaning of decommissioning expenditure.

CAA2001\S161C

This provides for writing down allowances on expenditure related to reuse and defines conditions.

CAA2001\S161D

This qualifies CAA2001\S161C(2) in certain circumstances.

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