



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 5

#### MINERAL EXTRACTION ALLOWANCES

#### CHAPTER 2

##### QUALIFYING EXPENDITURE ON MINERAL EXPLORATION AND ACCESS

#### **400 Qualifying expenditure on mineral exploration and access**

- (1) Expenditure on mineral exploration and access is qualifying expenditure if—
  - (a) it is capital expenditure, and
  - (b) it is incurred for the purposes of a mineral extraction trade.
- (2) Expenditure on mineral exploration and access incurred by a person in connection with a mineral extraction trade which that person carries on then or subsequently is to be treated as incurred for the purposes of that trade.
- (3) But pre-trading expenditure on mineral exploration and access is qualifying expenditure only to the extent provided by—
  - section 401 (pre-trading exploration expenditure), or
  - section 402 (pre-trading expenditure on plant or machinery).
- (4) Any pre-trading expenditure that is qualifying expenditure under either of those sections is to be treated as incurred on the first day of trading.
- (5) In this Chapter—
  - (a) “pre-trading expenditure” means capital expenditure incurred before the day on which a person begins to carry on a mineral extraction trade, and
  - (b) “the first day of trading”, in relation to a person’s pre-trading expenditure, means the day on which that person begins to carry on the mineral extraction trade.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 400.