



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 5

#### MINERAL EXTRACTION ALLOWANCES

### CHAPTER 4

#### QUALIFYING EXPENDITURE: SECOND-HAND ASSETS

*Assets reflecting expenditure on mineral exploration and access*

#### **409 Acquisition of other assets from non-traders**

- (1) This section applies if—
  - (a) a person carrying on a mineral extraction trade (“the buyer”) incurs capital expenditure on acquiring any assets for the purposes of that trade,
  - (b) the person from whom the assets were acquired (“the seller”) disposed of the assets without having carried on a mineral extraction trade,
  - (c) the assets represent expenditure on mineral exploration and access incurred by the seller, and
  - (d) section 408 (acquisition of oil licence from non-trader) does not apply in relation to the acquisition.
- (2) If this section applies, the buyer’s expenditure is qualifying expenditure only to the extent that it does not exceed the amount of the seller’s expenditure on mineral exploration and access that is represented by the assets.
- (3) The references in this section to assets representing expenditure on mineral exploration and access include any results obtained from any search, exploration or inquiry on which the expenditure was incurred.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 409.