



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 5

#### MINERAL EXTRACTION ALLOWANCES

### CHAPTER 6

#### ALLOWANCES AND CHARGES

##### *Cases in which a person is entitled to a balancing allowance*

#### **430 Disposal of asset, etc.**

- (1) A person's entitlement to an allowance for a chargeable period is to a balancing allowance if—
  - (a) the qualifying expenditure was incurred on the provision of any assets, and
  - (b) in that chargeable period any of those assets—
    - (i) is disposed of, or
    - (ii) otherwise permanently ceases to be used by him for the purposes of the mineral extraction trade.
- (2) A person's entitlement to an allowance for a chargeable period is to a balancing allowance if any of the following events occurs in that chargeable period in relation to assets representing the qualifying expenditure—
  - (a) the person loses possession of the assets in circumstances where it is reasonable to assume that the loss is permanent;
  - (b) the assets cease to exist as such (as a result of destruction, dismantling or otherwise);
  - (c) the assets begin to be used wholly or partly for purposes other than those of the mineral extraction trade carried on by the person.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 430.