



Corporation Tax Act 2009

2009 CHAPTER 4

PART 8

INTANGIBLE FIXED ASSETS

CHAPTER 16

PRE-FA 2002 ASSETS ETC

When expenditure treated as incurred

887 General rule

- (1) For the purposes of section 883 (assets treated as created or acquired when expenditure incurred) the general rule is that expenditure on the acquisition of an asset is treated as incurred when it is recognised for accounting purposes.
- (2) This is subject to—
 - section 888 (cases where chargeable gains rule applies), and
 - section 889 (cases where capital allowances general rule applies).

888 Cases where chargeable gains rule applies

- (1) This section applies if—
 - (a) expenditure on the acquisition of an asset does not qualify for any form of tax relief against income under the law as it was before 1 April 2002,
 - (b) that expenditure would be treated as incurred on or after that date under the general rule in section 887, and
 - (c) the relevant disposal of the asset is treated as occurring before that date for the purposes of TCGA 1992 or would be so treated under the law as it was before 1 April 2002.

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- (2) For the purposes of section 883 (assets treated as created or acquired when expenditure incurred), the expenditure is treated as incurred before 1 April 2002.
- (3) In subsection (1) “the relevant disposal” means the disposal on which the acquisition mentioned in subsection (1)(a) occurred.

889 Cases where capital allowances general rule applies

- (1) This section applies if under the law as it was before 1 April 2002 expenditure on the creation or acquisition of an asset is qualifying expenditure for the purposes of any allowance under CAA 2001.
- (2) For the purposes of section 883 (assets treated as created or acquired when expenditure incurred) the expenditure is treated as incurred when an unconditional obligation to pay it arises.
- (3) For this purpose the fact that the whole or part of the expenditure is not required to be paid until a later date does not prevent there being an unconditional obligation to pay it.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)