



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 8

#### OIL ACTIVITIES

#### [<sup>F1</sup>CHAPTER 6A

#### SUPPLEMENTARY CHARGE: INVESTMENT ALLOWANCE

#### *Investment allowance*

#### [<sup>F1</sup>332C Generation of investment allowance

- (1) Subsection (2) applies where a company—
  - (a) is a participator in a qualifying oil field, and
  - (b) incurs any relievable investment expenditure on or after 1 April 2015 in relation to the oil field.
- (2) The company is to hold an amount of allowance equal to 62.5% of the amount of the expenditure.

Allowance held under this Chapter is called “investment allowance”.
- (3) For the purposes of this section investment expenditure incurred by a company is “relievable” only if, and so far as, it is incurred for the purposes of oil-related activities (see section 274).
- (4) Subsections (1) to (3) are subject to—
  - (a) section 332D (which prevents expenditure on the acquisition of an asset from being relievable in certain circumstances),
  - (b) section 332DA (which restricts relievable expenditure in relation to an oil field that previously qualified for a field allowance under Chapter 7 as a new oil field),

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*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 332C. (See end of Document for details)*

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- (c) section 332DB (which restricts relievable expenditure in relation to a project by reference to which an oil field previously qualified for a field allowance under Chapter 7 as an additionally-developed oil field), and
  - (d) section 332DC (which prevents certain expenditure from being relievable if it relates to an oil field in respect of which onshore allowance may be obtained under Chapter 8).
- (5) Investment allowance is said in this Chapter to be “generated” at the time when the investment expenditure is incurred (see section 332K) and is referred to as being generated—
- (a) “by” the company concerned;
  - (b) “in” the qualifying oil field concerned.
- (6) Where—
- (a) investment expenditure is incurred only partly for the purposes of oil-related activities, or
  - (b) the oil-related activities for the purposes of which investment expenditure is incurred are carried on only partly in relation to a particular qualifying oil field,
- the expenditure is to be attributed to the activities or field concerned on a just and reasonable basis.]

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#### **Textual Amendments**

- F1** Pt. 8 Ch. 6A inserted (with effect in accordance with Sch. 12 para. 5 7 8 of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 12 para. 2](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 332C.