



Corporation Tax Act 2010

2010 CHAPTER 4

PART 8

OIL ACTIVITIES

[^{F1}CHAPTER 9

SUPPLEMENTARY CHARGE: CLUSTER AREA ALLOWANCE

Cluster area allowance

[^{F1}356JFA] **Expenditure on acquisition of asset: disqualifying conditions**

- (1) Investment expenditure incurred by a company (“the acquiring company”) on the acquisition of an asset is not relievab~~e~~ expenditure for the purposes of section 356JF if either of the disqualifying conditions in this section applies to the asset.
- (2) The first disqualifying condition is that investment expenditure incurred before the acquisition, by the acquiring company or another company, in acquiring, [^{F2}leasing,] bringing into existence or enhancing the value of the asset was relievab~~e~~ under section 356JF.
- (3) The second disqualifying condition is that—
 - (a) the asset—
 - (i) is the whole or part of the equity in a licensed area or sub-area, or
 - (ii) is acquired in connection with a transfer to the acquiring company of the whole or part of the equity in a licensed area or sub-area,
 - (b) expenditure was incurred, at any time before the acquisition, by the acquiring company or another company, in acquiring, [^{F3}leasing,] bringing into existence or enhancing the value of the asset, and
 - (c) any of that expenditure—
 - (i) related to the cluster area, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 356JFA. (See end of Document for details)

(ii) would have been relievably under section 356JF if this Chapter had applied to expenditure incurred at that time.

(4) For the purposes of subsection (3)(a)(ii), it does not matter whether the asset is acquired at the time of the transfer.]

[^{F4}(5) In this section any reference to expenditure which was incurred by a company in “leasing” an asset is to expenditure incurred by the company under an agreement under which the asset was leased to the company.]

Textual Amendments

- F1** Pt. 8 Ch. 9 inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), **Sch. 13 para. 2**
- F2** Word in [s. 356JFA\(2\)](#) inserted (with effect in accordance with s. 62(5) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **s. 62(2)**
- F3** Word in [s. 356JFA\(3\)\(b\)](#) inserted (with effect in accordance with s. 62(5) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **s. 62(3)**
- F4** [S. 356JFA\(5\)](#) inserted (with effect in accordance with s. 62(5) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **s. 62(4)**

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 356JFA.