



Capital Allowances Act 2001

2001 CHAPTER 2

PART 9 **U.K.**

DREDGING ALLOWANCES

Qualifying expenditure on dredging, etc.

484 Dredging allowances **U.K.**

- (1) Allowances are available under this Part if a person carries on a qualifying trade and qualifying expenditure has been incurred on dredging.
- (2) In this Part “qualifying trade” means a trade or undertaking the whole or part of which—
 - (a) consists of the maintenance or improvement of the navigation of a harbour, estuary or waterway, or
 - (b) is of a kind listed in Table A or B in section 274 (meaning of qualifying trade for purposes of industrial buildings allowances).
- [^{F1}(2A) If a company or partnership is as a result of section 6D (NI rate activity treated as separate trade) treated for the purpose of this Act as carrying on two separate trades, each of them is for the purposes of this Part to be treated as a qualifying trade if the separate trades would together be so treated.]
- (3) “Dredging” does not include anything done otherwise than in the interests of navigation.
- (4) Subject to subsection (3), “dredging” includes—
 - (a) the removal of anything forming part of, or projecting from the bed of, the sea or any inland water—
 - (i) by whatever means it is removed, and
 - (ii) even if, at the time of removal, it is wholly or partly above water, and
 - (b) the widening of an inland waterway.

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Textual Amendments

F1 S. 484(2A) inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\)](#), [Sch. 1 para. 16](#)

485 Qualifying expenditure **U.K.**

- (1) Expenditure on dredging is qualifying expenditure if—
 - (a) it is capital expenditure,
 - (b) it is incurred for the purposes of a qualifying trade by the person carrying on the trade, and
 - (c) if the person does not carry on a qualifying trade within section 484(2)(a), the dredging is for the benefit of vessels coming to, leaving or using a dock or other premises occupied by the person for the purposes of the qualifying trade.
- (2) If capital expenditure is incurred—
 - (a) partly for the purposes of a qualifying trade, and
 - (b) partly for other purposes,
 the qualifying expenditure is the part of the capital expenditure that, on a just and reasonable apportionment, is referable to the purposes of the qualifying trade.
- (3) If part only of a trade or undertaking is within section 484(2), subsection (2) of this section applies as if—
 - (a) the part which is within section 484(2), and
 - (b) the part which is not,
 were separate trades.

486 Pre-trading expenditure of qualifying trades, etc. **U.K.**

- (1) If a person incurs capital expenditure with a view to carrying on a trade or a part of a trade, this Part applies as if the expenditure were incurred by the person on the first day on which the trade or part of the trade is carried on.
- (2) If a person incurs capital expenditure—
 - (a) in connection with a dock or other premises, and
 - (b) with a view to occupying the dock or premises for the purposes of a qualifying trade which is not a qualifying trade within section 484(2)(a),
 this Part applies as if the expenditure were incurred by the person when he first occupies the dock or premises for the purposes of the qualifying trade.

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

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

- s. 1A(11)(za) inserted by [2024 c. 3 Sch. 10 para. 39\(3\)\(a\)](#)
- s. 4(2ZA)(a) words inserted by [2024 c. 3 Sch. 10 para. 40\(b\)](#)
- s. 4(2ZA)(a) words substituted by [2024 c. 3 Sch. 10 para. 40\(a\)](#)
- s. 29(1A) inserted by [S.I. 2006/1254 \(N.I.\) Sch. 3 para. 24\(b\)](#) (S. 29 was repealed before this effect came into force.)
- s. 431D(4A) inserted by [2024 c. 3 Sch. 10 para. 42\(4\)](#)
- s. 462A(4A) inserted by [2024 c. 3 Sch. 10 para. 43\(4\)](#)
- s. 477A(5A) inserted by [2024 c. 3 Sch. 10 para. 44\(4\)](#)
- s. 774E(5)(b) words omitted by [2008 c. 9 Sch. 20 para. 12\(11\)](#)