



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 12

SHIPS

Expenditure on new shipping

146 Basic meaning of expenditure on new shipping

- (1) For the purposes of the deferment rules, expenditure on the provision of a ship is expenditure on new shipping if the conditions in subsection (3) are met.
- (2) Subsection (1) is subject to sections 147 to 150.
- (3) The conditions are that—
 - (a) the expenditure is qualifying expenditure incurred by a person wholly and exclusively for the purposes of a qualifying activity carried on by him,
 - (b) when the expenditure is incurred, it appears that the ship will—
 - (i) be brought into use for the purposes of the qualifying activity as a qualifying ship, and
 - (ii) continue to be a qualifying ship for at least 3 years after that, and
 - (c) the expenditure is allocated to a single ship pool.