

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 10. (See end of Document for details)*

---

## SCHEDULES

### SCHEDULE 21

#### FIRST-YEAR ALLOWANCES FOR EXPENDITURE WHOLLY FOR A RING FENCE TRADE

#### PART 2

#### MINERAL EXTRACTION ALLOWANCES

#### *First-year allowances*

10 At the beginning of Chapter 6 (allowances and charges) insert—

#### *“First-year allowances*

#### **First-year allowances**

416D) A person is entitled to a first-year allowance in respect of first-year qualifying expenditure if the expenditure is incurred in a chargeable period to which this Act applies.

- (2) Any first-year allowance is made for the chargeable period in which the first-year qualifying expenditure is incurred.
- (3) The amount of the allowance is a percentage of the first-year qualifying expenditure in respect of which the allowance is made, as shown in the Table—

#### TABLE

#### AMOUNT OF FIRST-YEAR ALLOWANCES

<i>Type of first-year qualifying expenditure</i>	<i>Amount</i>
Expenditure qualifying under section 416B (expenditure incurred wholly for the purposes of a ring fence trade)	100%

- (4) A person who is entitled to a first-year allowance may claim the allowance in respect of the whole or a part of the first-year qualifying expenditure.
- (5) This section is subject to section 416E (artificially inflated claims for first-year allowances).”.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 10.