



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 11

OVERSEAS LEASING

Basic terms

105 “Leasing”, “overseas leasing” etc.

- (1) In this Chapter—
- (a) “leasing” includes letting a ship or aircraft on charter or letting any other asset on hire, and
 - (b) references to a lease include a sub-lease (and references to a lessor or lessee are to be read accordingly).
- (2) Plant or machinery is used for overseas leasing if it is used for the purpose of being leased to a person who—
- (a) is not resident in the United Kingdom, and
 - (b) does not use the plant or machinery exclusively for earning profits chargeable to tax.

[^{F1}(2A) In determining whether plant or machinery is used for overseas leasing, no account shall be taken of any lease finalised, within the meaning of Part 4 of Schedule 8 to [^{F2}FA] 2006, on or after 1st April 2006.]

- (3) In this Chapter “profits chargeable to tax”—
- (a) includes profits chargeable under [^{F3}section 1313(2) of CTA 2009] (profits from exploration and exploitation of the seabed etc.), but

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 105. (See end of Document for details)

- (b) excludes profits arising to a person who, under double taxation arrangements, is afforded or is entitled to claim any relief from the tax chargeable on those profits.
- (4) “Double taxation arrangements” means arrangements [^{F4}which have effect under section 2(1) of the Taxation (International and Other Provisions) Act 2010 (double taxation relief by agreement with territories outside the United Kingdom)].
- (5) “Protected leasing” of plant or machinery means—
- (a) short-term leasing of the plant or machinery (as defined in section 121), or
 - (b) if the plant or machinery is a ship, aircraft or transport container, the use of the ship, aircraft or transport container for a qualifying purpose under section 123 or 124 (letting on charter to UK resident etc.).
- (6) In this Chapter “qualifying activity” includes (subject to any provision to the contrary) any activity listed in section 15(1) even if any profits or gains from it are not chargeable to tax.

Textual Amendments

- F1** S. 105(2A) inserted (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), **Sch. 9 para. 13(2)**
- F2** Word in s. 105(2A) substituted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), **s. 126(5)(a)**
- F3** Words in s. 105(3)(a) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 1 para. 483** (with [Sch. 2 Pts. 1, 2](#))
- F4** Words in s. 105(4) substituted (1.4.2010) (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 8 para. 58** (with [Sch. 9 paras. 1-9, 22](#))

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 105.