



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 10

#### ASSURED TENANCY ALLOWANCES

### CHAPTER 2

#### THE RELEVANT INTEREST

##### *The relevant interest in the building*

#### **499 Provisions applying on termination of lease**

- (1) This section applies if the relevant interest in relation to expenditure on the construction of a building is a lease.
- (2) If, with the consent of the lessor, the lessee of a building remains in possession after the termination of the lease without a new lease being granted to him, the lease is treated as continuing as long as the lessee remains in possession.
- (3) If on the termination of the lease a new lease is granted to the lessee as a result of the exercise of an option available to him under the terms of the first lease, the second lease is treated as a continuation of the first.
- (4) If on the termination of the lease the lessor pays a sum to the lessee in respect of a building comprised in the lease, the lease is treated as if it had come to an end by surrender in consideration of the payment.
- (5) If on the termination of the lease—
  - (a) a new lease is granted to a different lessee, and
  - (b) in connection with the transaction that lessee makes a payment to the former lessee,

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***Changes to legislation:*** *There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 499. (See end of Document for details)*

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the two leases are treated as if they were the same lease which had been assigned by the former lessee to the new lessee in consideration of the payment.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 499.