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**Changes to legislation:** There are currently no known outstanding effects for the Railways Act 2005.  
*Cross Heading: Capital allowances: transfer of plant or machinery. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 10

#### TAXATION PROVISIONS RELATING TO TRANSFER SCHEMES

##### PART 2

##### OTHER TRANSFERS UNDER SECTION 1(2) SCHEMES

##### *Capital allowances: transfer of plant or machinery*

- 14 (1) This paragraph applies where—
- (a) there is a relevant transfer of plant or machinery;
  - (b) paragraph 12 does not apply in relation to that transfer;
  - (c) the plant or machinery would be treated for the purposes of the 2001 Act as disposed of by the transferor to the transferee on the transfer taking effect; and
  - (d) the scheme in accordance with which the transfer is made contains provision for the disposal value of the plant or machinery to be treated for the purposes of that Act as an amount specified in or determined in accordance with the scheme.
- (2) For the purposes of the 2001 Act—
- (a) the provision mentioned in sub-paragraph (1)(d) is to have effect (instead of section 61(2) to (4), 72(3) to (5), 88, 171, 196 or 423 of that Act) for determining an amount as the disposal value of the plant or machinery or the price at which a fixture is to be treated as sold;
  - (b) the transferee is to be treated as having incurred capital expenditure of that amount on the provision of the plant or machinery for the purposes for which it is used by the transferee on and after the taking effect of the transfer;
  - (c) the property is to be treated as belonging to the transferee in consequence of the transferee having incurred that expenditure; and
  - (d) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be treated for the purposes of sections 181(1) and 182(1) of that Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) The provision mentioned in sub-paragraph (1)(d) for the determination of an amount may include provision for a determination—
- (a) to be made by the Secretary of State in a manner described in the scheme;
  - (b) to be made by reference to factors so described or to the opinion of a person so described; and
  - (c) to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.

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- (4) The consent of the Treasury is required for the making or modification of a determination under the provision mentioned in sub-paragraph (1)(d).
- (5) The consent of the transferee is required for the modification of a determination under the provision mentioned in sub-paragraph (1)(d).
- (6) If there is a determination or a modification of a determination under the provision mentioned in sub-paragraph (1)(d), all necessary adjustments—
  - (a) must be made by making assessments or by repayment or discharge of tax; and
  - (b) must be made despite any limitation on the time within which assessments may be made.
- (7) Expressions used in this paragraph and in Part 2 of the 2001 Act have the same meanings in this paragraph as in that Part.

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**Commencement Information**

**II** Sch. 10 para. 14 in force at 8.6.2005 by S.I. 2005/1444, art. 2(1), Sch. 1

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