



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 9 U.K.

#### LEASING PLANT OR MACHINERY

### CHAPTER 2 U.K.

#### LONG FUNDING LEASES OF PLANT OR MACHINERY

*Cases where sections 360 to 369 do not apply*

#### 373 Other avoidance U.K.

- (1) Sections 360 to 369 do not apply in relation to a long funding lease in the case of a company which is or has been the lessor of any plant or machinery under the lease if conditions A, B and C are met.
- (2) Condition A is that the lease forms part of any arrangement entered into by the company which includes one or more other transactions.
- (3) Condition B is that the main purpose, or one of the main purposes, of the arrangement is to secure that, over the lease period, there would be a substantial difference between the GAAP total and the tax total.
- (4) “The GAAP total” means the sum of the amounts under the arrangement which are, in accordance with generally accepted accounting practice—
  - (a) recognised in determining the company's profit or loss for any period, or
  - (b) taken into account in calculating the amounts which are so recognised.
- (5) “The tax total” means the sum of the amounts under the arrangement which would (apart from this section) be taken into account in calculating the profits or losses of the company for corporation tax purposes.

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**Status:** Point in time view as at 11/07/2023.

**Changes to legislation:** Corporation Tax Act 2010, Section 373 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

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- (6) Condition C is that the difference referred to in subsection (3) would be attributable (wholly or partly) to the application of any of sections 360 to 369 in relation to the company by reference to the plant or machinery under the lease.
- (7) This section is supplemented by sections 374 and 375.

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