
Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: Electricity Act 1989, Paragraph 5 is up to date with all changes known to be in force on or before 14 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)

SCHEDULES

SCHEDULE 11

TAXATION PROVISIONS

Transaction in pursuance of section 68(2)(c)

- 5 (1) Sub-paragraph (2) below applies to any disposal (within the meaning of the Capital Gains Tax Act 1979) which is effected, and sub-paragraphs (3) and (4) below apply to any lease which is granted, in pursuance of a provision included in a transfer scheme by virtue of section 68(2) of this Act.
- (2) A disposal to which this sub-paragraph applies shall be taken for the purposes of the Capital Gains Tax Act 1979 to be effected for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the disposer.
- (3) [^{F1}Neither subsection (6)(a) of section 11 of the Capital Allowances Act 1990 (“the 1990 Act”) nor]subsection (6)(a) of section 37 of the ^{M1}Finance Act 1978 (capital allowances: long leases) shall . . . ^{F2}prevent the application of [^{F3}section 11 or section 37]in any case where the lease is a lease to which this sub-paragraph applies.
- (4) Where, in the case of any machinery or plant which is a fixture and on the provision of which for the purposes of the transferor’s trade the transferor incurred capital expenditure, a lease of the relevant land (with or without other land) is a lease to which this sub-paragraph applies—
- (a) the lessor shall not be required to bring the disposal value of the machinery or plant into account in accordance with section 44 of the ^{M2}Finance Act 1971 [^{F4}or section 24 of the 1990 Act](writing down allowances and balancing adjustments); and
- (b) so far as relating to the bringing of disposal values into account, [^{F5}section 44 of the Finance Act 1971, section 24 of the 1990 Act, Schedule 17 to the Finance Act 1985 and Chapter VI of Part II of the 1990 Act](capital allowances for fixtures) shall have effect as if—
- (i) the capital expenditure incurred by the transferor had been incurred by the lessee on the provision of the machinery or plant wholly and exclusively for the purposes of the lessee’s trade; and
- (ii) the machinery or plant had become a fixture, immediately after the grant of the lease.
- (5) In sub-paragraph (4) above “the transferor” means the transferor under the transfer scheme in question and expressions which are used in Schedule 17 to the Finance Act 1985 [^{F6}or Chapter VI of Part II of the 1990 Act]have the same meaning as in that Schedule [^{F6}or Chapter]; and in construing that sub-paragraph the provisions of

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section 511(2) of the 1988 Act and the corresponding earlier enactments shall be disregarded.

Textual Amendments

- F1** Words inserted by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(3), **Sch. 1 para. 11(a)**
- F2** Word repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**
- F3** Words substituted by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(3), **Sch. 1 para. 11(a)**
- F4** Words inserted by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(3), **Sch. 1 para. 11(b)**
- F5** Words substituted by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(3), **Sch. 1 para. 11(c)**
- F6** Words inserted by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(3), **Sch. 1 para. 11(d)**

Marginal Citations

- M1** [1978 c. 42.](#)
- M2** [1971 c. 68.](#)

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