



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 17

ANTI-AVOIDANCE

Sale and finance leasebacks

224 Restriction on B's qualifying expenditure

- (1) If plant or machinery is the subject of a sale and finance leaseback the amount, if any, by which B's expenditure under the relevant transaction exceeds D is to be left out of account in determining B's available qualifying expenditure.

D is defined in subsections (2) and (3).

- (2) If S is required to bring a disposal value into account under this Part because of the relevant transaction, D is that disposal value (determined in accordance with section 222).
- (3) If S is not required to bring a disposal value into account under this Part because of the relevant transaction, D is whichever of the following is the smallest—
- the market value of the plant or machinery;
 - if S incurred capital expenditure on the provision of the plant or machinery, the notional written-down value of that capital expenditure;
 - if a person connected with S incurred capital expenditure on the provision of the plant or machinery, the notional written-down value of that capital expenditure.

Status: Point in time view as at 06/04/2008. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 224. (See end of Document for details)

- (4) In this section “the notional written-down value”, in relation to expenditure incurred by a person on the provision of plant or machinery, has the meaning given by section 222(3).
- (5) This section does not apply if the finance lease or any transaction or series of transactions of which it forms a part makes provision such as is described in section 225(1).

Status:

Point in time view as at 06/04/2008. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 224.