



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 17

ANTI-AVOIDANCE

[^{F1}Finance leaseback: parties' income and profits

[^{F1}228F Lease and finance leaseback

- (1) [^{F2}Sections 228B and 228C] apply, with the following modifications, where plant or machinery is the subject of a lease and finance leaseback.
- (2) In determining the permitted maximum for the purposes of section 228B, depreciation shall be disregarded.
- (3) In the calculation under section 228C(3), the amount of the consideration referred to in subsection (6)(b) of this section shall be substituted for the Net Consideration.

^{F3}(4)

- (5) Plant or machinery is the subject of a lease and finance leaseback if—
 - (a) a person (“S”) leases the plant or machinery to another (“B”),
 - (b) after the date of that transaction, the use of the plant or machinery falls within sub-paragraph (i), (ii) or (iii) of section 221(1)(b), and
 - (c) it is directly as a consequence of having been leased under a finance lease that the plant or machinery is available to be so used after that date.
- (6) For the purposes of subsection (5), S leases the plant or machinery to B only if—
 - (a) S grants B rights over the plant or machinery,

Status: Point in time view as at 19/07/2007. This version of this provision has been superseded.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 228F. (See end of Document for details)

- (b) consideration is given for that grant, and
 - (c) S is not required to bring all of that consideration into account under this Part.
- (7) Plant or machinery is not the subject of a lease and finance leaseback for the purposes of this section in any case where the condition in subsection (6)(c) is met only because of an election under section 199 made before 18 May 2004.
- (8) In the application of [^{F4}sections 228B and 228C] in relation to a lease and finance leaseback—
- (a) references to the lessee are references to the person referred to as S in this section,^{F5} ...
 - ^{F6}(b)]

Textual Amendments

- F1** Ss. 228A-228J and cross-heading inserted (with effect in accordance with s. 134(3) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 134](#)
- F2** Words in s. 228F(1) substituted (with effect in accordance with Sch. 5 para. 17(5)-(7) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 17\(3\)\(a\)](#)
- F3** S. 228F(4) repealed (with effect in accordance with Sch. 5 para. 17(5)-(7) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 17\(3\)\(b\), Sch. 27 Pt. 2\(3\)](#)
- F4** Words in s. 228F(8) substituted (with effect in accordance with Sch. 5 para. 17(5)-(7) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 17\(3\)\(c\)](#)
- F5** Word in s. 228F(8)(a) repealed (with effect in accordance with Sch. 5 para. 17(5)-(7) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 17\(3\)\(c\), Sch. 27 Pt. 2\(3\)](#)
- F6** S. 228F(8)(b) repealed (with effect in accordance with Sch. 5 para. 17(5)-(7) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 17\(3\)\(c\), Sch. 27 Pt. 2\(3\)](#)

Status:

Point in time view as at 19/07/2007. 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 228F.