



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 19

GIVING EFFECT TO ALLOWANCES AND CHARGES

Life assurance business

255 Apportionment of allowances and charges

[^{F1}(1) Except where subsection (3) applies, any allowance to which the company is entitled, and any charge to which it is liable, for a chargeable period in respect of a management asset must be apportioned between basic life assurance and general annuity business, gross roll-up business and PHI business in accordance with subsections (1A) and (1B).]

[^{F1}(1A) The allowance or charge is to be apportioned to a category of business using the formula—

$$A \times BC$$

where—

A is the amount of the allowance or charge,

B is the mean of the opening and closing liabilities of that category of business, and

C is the mean of the opening and closing liabilities of all the categories of business mentioned in subsection (1) which are carried on by the company.

(1B) If C is nil or below nil, the allowance or charge to be apportioned to a category of business is such as is just and reasonable.]

Status: Point in time view as at 12/08/2008. This version of this provision has been superseded.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 255. (See end of Document for details)

^{F2}(2)

(3) If—

- (a) the company is charged to tax under [^{F3}section 436A of ICTA (gross roll-up business)], and
- (b) the management asset in respect of which it is entitled to an allowance or liable to a charge for a chargeable period is [^{F4}held for the purposes of a permanent establishment outside the United Kingdom at or through which the company carries on gross roll-up business],

the allowance or charge must be allocated (without any apportionment) to that business.

Textual Amendments

- F1** S. 255(1)-(1B) substituted for s. 255(1)(1A) (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 69\(2\)](#) (with [Sch. 7 Pt. 2](#))
- F2** S. 255(2) repealed (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 69\(3\)](#), [Sch. 27 Pt. 2\(7\)](#) (with [Sch. 7 Pt. 2](#))
- F3** Words in s. 255(3)(a) substituted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 69\(4\)\(a\)](#) (with [Sch. 7 Pt. 2](#))
- F4** Words in s. 255(3)(b) substituted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 69\(4\)\(b\)](#) (with [Sch. 7 Pt. 2](#))

Modifications etc. (not altering text)

- C9** S. 255 modified (with effect in accordance with reg. 1(2)(3) of the amending S.I.) by [The Insurance Companies \(Tax Exempt Business\) Regulations 2007 \(S.I. 2007/2145\)](#), [regs. 1\(1\)](#), [15](#)
- C10** S. 255 modified (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), [regs. 1](#), [36](#) (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by [S.I. 2007/2146](#), [regs. 1\(1\)](#), [21](#))
- C11** S. 255 modified by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 2005 \(S.I. 2005/2014\)](#), [reg. 43A](#) (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [S.I. 2007/2134](#), [regs. 1\(1\)](#), [33](#)) and amended (12.8.2008) by [S.I. 2008/1937](#), [regs. 1\(1\)](#), [13](#))

Status:

Point in time view as at 12/08/2008. 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 255.