



Capital Allowances Act 2001

2001 CHAPTER 2

PART 5 **U.K.**

MINERAL EXTRACTION ALLOWANCES

CHAPTER 6 **U.K.**

ALLOWANCES AND CHARGES

Cases in which a person is entitled to a balancing allowance

[^{F1}431C Notional allowances **U.K.**

- (1) Subsection (2) applies if—
 - (a) an election under section 18A of CTA 2009 has effect in relation to a company, and
 - (b) but for section 18A of CTA 2009 and section 431A(2)(b), an allowance under this Part (“the notional allowance”) could be claimed under section 3(1) in respect of assets provided for the purposes of a permanent establishment outside the United Kingdom through which business is or has been carried on by the company.
- (2) The notional allowance (and any charge in connection with it which would have arisen if the allowance had been claimed) is to be made automatically and reflected in any calculation, for any relevant accounting period of the company, of the profits or losses attributable to business carried on by the company through such a permanent establishment.
- (3) Subsection (4) applies if, at the time an election under section 18A of CTA 2009 takes effect in relation to a company, the company is, by reason of sections 431A and 421(1)(b)(ii) and (2), required to bring into account the disposal value of any asset provided for the purposes of a foreign permanent establishment through which business is or has been carried on by the company.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 431C. (See end of Document for details)

- (4) For the purposes of subsections (1) and (2), the company is treated as having incurred at that time, for the purposes of the trade mentioned in section 431A(2), qualifying expenditure of an amount equal to that disposal value.
- (5) In subsection (2) “relevant accounting period”, in relation to a company by which an election under section 18A of CTA 2009 is made, means an accounting period of the company to which the election applies (as to which see section 18F of that Act.)]

Textual Amendments

- F1** Ss. 431A-431C inserted (with effect in accordance with s. 67(9) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 67\(7\)](#)

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