

SCHEDULES

SCHEDULE 10

TAXATION PROVISIONS RELATING TO TRANSFER SCHEMES

PART 3

TRANSFERS UNDER SECTION 12 SCHEMES

Capital allowances: determination of disposal value of plant or machinery

- 22 (1) This paragraph applies to a relevant transfer of plant or machinery which is a disposal event for the purposes of Part 2 of the 2001 Act (capital allowances for plant and machinery).
- (2) For the purposes of the application of section 61 of that Act in relation to the transferor, the disposal value of the plant or machinery is to be treated—
- (a) if a capital sum is received by the transferor by way of consideration or compensation in respect of the transfer, as an amount equal to that sum; or
 - (b) if no such sum is received, as nil.
- (3) For the purposes of this paragraph a sum received by a person connected with the transferor is to be treated as received by the transferor.
- (4) Section 88 of the 2001 Act (sales at an undervalue) is to be disregarded.
- (5) This paragraph is subject to sections 63(5) and 68 of the 2001 Act.