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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Paragraph 5. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 8

#### LONG FUNDING LEASES OF PLANT OR MACHINERY

##### PART 1

##### CAPITAL ALLOWANCES

*Commencement of leasing under long funding lease: disposal events and disposal values*

- 5 (1) Section 61 (disposal events and disposal values) is amended as follows.
- (2) In subsection (1) (disposal events) after paragraph (e) insert—  
“(ee) the plant or machinery begins to be leased under a long funding lease (see Chapter 6A);”.
- (3) In subsection (2) (disposal values) in the Table (disposal event, disposal value) after item 5 insert—

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“5A. Commencement of the term of a long funding finance lease of the plant or machinery.	An amount equal to that which would fall to be recognised as the lessor's net investment in the lease if accounts were prepared in accordance with generally accepted accounting practice on the date on which the lessor's net investment in the lease is first recognised in the books or other financial records of the lessor.
5B. Commencement of the term of a long funding operating lease of the plant or machinery.	An amount equal to the market value of the plant or machinery at the commencement of the term of the lease.”.

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- (4) In item 6 in that Table (which refers to the occurrence of an event within items 1 to 5) for “5” substitute “5B”.

**Changes to legislation:**

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