

*These notes refer to the Corporation Tax Act 2010
(c.4) which received Royal Assent on 3 March 2010*

CORPORATION TAX ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Part 9: Leasing plant or machinery

Chapter 2: Long funding leases of plant or machinery

Section 378: Lessee under long funding finance lease: termination

1157. This section avoids double taxation by excluding from the lessee's calculation of its profits for corporation tax purposes any sum received by the lessee in relation to a long funding finance lease which is calculated by reference to "termination value". It is based on section 502J of ICTA.
1158. Such sums must, however, be brought into account as part of the disposal value for the purpose of capital allowances (see *subsection (3)* and section 70E of CAA).
1159. *Subsection (4)* is new and provides a signpost to the definition of "termination value".