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*Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 20. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 3

#### TRANSITIONALS AND SAVINGS

#### PART 4

#### PLANT AND MACHINERY ALLOWANCES

##### *Long-life assets*

##### *Long-life asset expenditure*

- 20 (1) Chapter 10 of Part 2 does not apply to any expenditure incurred—
- (a) before 26th November 1996, or
  - (b) before 1st January 2001 in pursuance of a contract entered into before 26th November 1996.
- (2) Chapter 10 of Part 2 does not apply to expenditure incurred by any person (“the purchaser”) on the acquisition of a long-life asset from another (“the seller”) if—
- (a) the seller has made a Part 2 claim in respect of expenditure incurred on the provision of the asset (“the seller’s expenditure”),
  - (b) the claim is one which the seller was entitled to make,
  - (c) the seller’s expenditure did not fall to be treated as long-life asset expenditure for the purposes of the claim, and
  - (d) the seller’s expenditure would have been so treated if one or more of the assumptions specified in sub-paragraph (3) were made.
- (3) The assumptions are that—
- (a) expenditure falling within sub-paragraph (1) is not prevented by that sub-paragraph from being long-life asset expenditure,
  - (b) the seller’s expenditure was not prevented by sub-paragraph (2) from being long-life asset expenditure, and
  - (c) Chapter 10 of Part 2 or any provision corresponding to it applied for chargeable periods ending before 26th November 1996.
- (4) The reference in sub-paragraph (1) to expenditure incurred in pursuance of a contract entered into before 26th November 1996 does not, in the case of a contract varied at any time on or after that date, include a reference to any expenditure incurred under the contract that exceeds the expenditure that would have been incurred if the contract had not been varied.
- (5) Expressions used in this paragraph and in Chapter 10 of Part 2 have the same meaning in this paragraph as in that Chapter; and in particular references in this paragraph to a “Part 2 claim” are to be read in accordance with section 103(3).

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 20.