

*These notes refer to the Capital Allowances Act 2001
(c.2) which received Royal Assent on 22nd March 2001*

CAPITAL ALLOWANCES ACT 2001

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Glossary

Part 2: Plant and machinery allowances

Chapter 11: Overseas leasing

Section 114: Prohibited allowances: standard recovery mechanisms

- 472. This section is based on section 42(4), (5) and (9) of CAA 1990. It deals with the general case in which allowances are taken on expenditure but, in a later chargeable period, it becomes clear that section 110 applies so that no allowances are available in respect of that expenditure.
- 473. This section broadly withdraws any allowances by means of a balancing charge and a disposal value. The allowance withdrawn takes account of any allowances withdrawn by section 111 so there is no double counting.
- 474. *Subsection (2)(b)* provides that a disposal value is to be brought into account to remove from the pool the qualifying expenditure on which no allowances can be made. There is no explicit provision for this in CAA 1990. See *Note 27* in Annex 2.