

*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 17: Anti-avoidance

Section 222: Disposal value restricted

808. This section is based on mainly on sections 76A(5), (6) and (10) of CAA 1990. It restricts the seller's disposal value if a sale and finance leaseback is involved.
809. *Subsection (2)* lists directly the different values to be compared to arrive at the disposal value. This is based on some particularly complex parts of CAA 1990 which require cross-references and comparisons between sections.
810. *Subsection (3)* gives the rules for determining the "notional written-down value" – one of the values listed in subsection (2). In CAA 1990 this is defined by means of a notional trade. Removing that abstraction does not change the results from the calculation. See *Note 24* in Annex 2.
811. *Subsection (4)* disapplies this section in sale and finance leasebacks if more than half the risk to the lessor has been removed. In those cases the restrictions are greater: see section 225.