

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

# CAPITAL ALLOWANCES ACT 2001

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Glossary*

#### **Part 3: Industrial buildings allowances**

#### *Chapter 5: Initial Allowances*

#### *Section 308: Grants affecting entitlement to initial allowances*

1050. This section is based on section 1(7), (8) and (9) of CAA 1990. It denies or withdraws initial allowances if expenditure is met by certain grants.
1051. *Subsection (6)* provides that the adjustments or assessments required under subsection (5) may be made at any time up to the end of a 3-year period following the end of the chargeable period in which the grant, payment or repayment was made. This caters for the fact that there may be considerable gaps between expenditure and grants, or between grants being made and repaid. The three years it provides to make such adjustments does not displace any other provisions which may allow an assessment or adjustment later.