

*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 6: Research and development allowances

Chapter 3: Allowances and charges

Overview

1535. This Chapter deals with allowances and charges on qualifying expenditure. There is no pooling of qualifying expenditure. An allowance can be made in respect of qualifying expenditure only for one chargeable period. Disposal values may arise in relation to qualifying expenditure on the happening of certain events. Disposal values restrict allowances on the qualifying expenditure or result in balancing charges to recover excessive allowances. Demolition costs may reduce balancing charges or, in certain cases, give rise to allowances.
1536. [Section 441](#) sets out when an allowance can be made, the chargeable period for which it is made and its amount.
1537. [Section 442](#) sets out when a person is liable to a balancing charge and its amount.
1538. [Section 443](#) deals with disposal values and the events on which they arise. Disposal values are relevant to the previous two sections. There are signposts to a special provision relating to oil licences and also to the Chapter dealing with additional VAT rebates.
1539. [Section 444](#) deals with the chargeable period for which a disposal value is to be brought into account.
1540. [Section 445](#) sets out relief available for the costs of demolishing an asset representing qualifying expenditure.