

*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

Section 444: Disposal events: chargeable period for which disposal value is to be brought into account

1560. This section is based on section 138(2) of CAA 1990.
1561. *Subsection (1)* says that this section is about the chargeable period for which a disposal value under section 443 is brought into account. Section 138(2) of CAA 1990 gives a specific time at which, essentially, a balancing charge arises whereas this section provides a chargeable period for which a disposal value arises. The approach in this section is more consistent with other Parts of this Act that bring disposal values into account for a chargeable period and with R&D allowances being given for a chargeable period. See *Note 57* in Annex 2.
1562. *Subsections (2)* and *(3)* deal with the normal case in which the disposal event occurs after the chargeable period for which an allowance is made. They also deal with the less usual case in which the disposal event occurs in the same chargeable period as an allowance is made for the qualifying expenditure. Subsection (3)(a) contains a change. See *Change 51* in Annex 1.
1563. *Subsection (4)* deals with the unusual case in which a disposal event occurs before the chargeable period for which an allowance is due in respect of the qualifying expenditure concerned. CAA 1990 does not appear to explicitly address this situation. Section 138(3) of CAA 1990 looks as if it might be in point but it does not handle this case satisfactorily. Subsection (4) deals with the unusual case in a more coherent fashion. See *Change 51* in Annex 1.