



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 11

OVERSEAS LEASING

Certain expenditure to be pooled

107 The overseas leasing pool

- (1) Qualifying expenditure to which this section applies, if allocated to a pool, must be allocated to a class pool (“the overseas leasing pool”).
- (2) This section applies to qualifying expenditure if—
 - (a) it is incurred on the provision of plant or machinery for leasing,
 - (b) the plant or machinery is at any time in the designated period used for overseas leasing which is not protected leasing, and
 - (c) the expenditure is not—
 - (i) long-life asset expenditure, or
 - (ii) expenditure that is required to be allocated to a single asset pool.

108 Effect of disposal to connected person on overseas leasing pool

- (1) This section applies if—
 - (a) a person who has incurred qualifying expenditure which has been allocated to an overseas leasing pool disposes of the plant or machinery to a connected person,
 - (b) the disposal is not an occasion on which the qualifying activity is treated as continuing under any of the relevant provisions of ICTA, and

Status: This is the original version (as it was originally enacted).

- (c) a disposal value is required to be brought into account on that occasion under this Part.
- (2) The disposal value to be brought into account is—
 - (a) the market value of the plant or machinery at the time of the disposal, or
 - (b) if less, the qualifying expenditure incurred by the person disposing of the plant or machinery.
- (3) The person acquiring the plant or machinery is to be treated for the purposes of this Part as having incurred expenditure on its provision of an amount equal to the disposal value given by subsection (2).
- (4) “The relevant provisions of ICTA” means section 113(2), 114(1) or 343(2) (effect of change in persons carrying on a trade etc. or of company reconstruction).