



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 19

GIVING EFFECT TO ALLOWANCES AND CHARGES

[^{F1}Long-term] business

Textual Amendments

F1 Words in s. 254 heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 96](#)

254 **Introductory**

- (1) Sections 255 and 256 apply if a company which is carrying on any [^{F2}long-term business] is entitled or liable to any allowances or charges for a chargeable period in respect of plant or machinery consisting of a management asset.
- (2) In this Chapter “management asset” has the same meaning as in Chapter 1 of Part 12 (life assurance business).

Textual Amendments

F2 Words in s. 254(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 97](#)

[^{F3}255 **[^{F3}Apportionment of allowances and charges]**

- (1) This section applies if the long-term business of the company consists of—

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross Heading: Long-term business. (See end of Document for details)

- (a) basic life assurance and general annuity business, and
 - (b) non-BLAGAB long-term business.
- (2) In that case—
- (a) any allowance to which the company is entitled for a chargeable period in respect of a management asset, and
 - (b) any charge to which it is liable for a chargeable period in respect of a management asset,
- must be apportioned between the businesses in accordance with Chapter 7 of Part 2 of FA 2012.]

Textual Amendments

F3 S. 255 substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 98](#)

Modifications etc. (not altering text)

C1 S. 255 modified (31.12.2012) by [The Friendly Societies \(Modifications of the Tax Acts\) Regulations 2012 \(S.I. 2012/3008\)](#), [regs. 1\(1\)](#), [4 \(with regs. 1\(2\), 2\)](#)

256 Different giving effect rules for ^{F4}BLAGAB]

- (1) Subsection (2) applies if a company—
- (a) carries on basic life assurance and general annuity business, and
 - ^{F5}(b) is charged to tax ^{F6}[in accordance with the I - E rules] in respect of ^{F7}[that business].]
- (2) If this subsection applies—
- (a) any allowances (or parts of allowances) to which the company is entitled in respect of the basic life assurance and general annuity business are to be given effect by treating them ^{F8}[for the purposes of section 76 of FA 2012 as deemed BLAGAB management expenses for the chargeable period in question], and
 - (b) any charges (or parts of charges) to which the company is liable in respect of that business are to be given effect by treating the ^{F9}[company as receiving for the chargeable period in question an amount which is equal to the amount of the charges (or parts of charges) and to which the charge to corporation tax on income applies].

^{F10}(3)

^{F11}(4)

Textual Amendments

F4 Word in s. 256 heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(5\)](#)

F5 S. 256(1)(b) substituted (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 8 para. 23](#) (with [Sch. 8 Pt. 2](#))

F6 Words in s. 256(1)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(2\)\(a\)](#)

F7 Words in s. 256(1)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(2\)\(b\)](#)

F8 Words in s. 256(2)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(3\)](#)

F9 Words in s. 256(2)(b) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [s. 1329\(1\)](#), [Sch. 1 para. 492\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross Heading: Long-term business. (See end of Document for details)

- F10** S. 256(3) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(4\)](#)
F11 S. 256(4) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 99\(4\)](#)

Modifications etc. (not altering text)

- C2** S. 256 modified (1.1.2002) by [S.I. 1997/473](#), [reg. 53C](#) (as inserted by [S.I. 2001/3975](#), [reg. 8](#))
C3 S. 256 modified (with effect in accordance with reg. 1(2) of the commencing S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 2005 \(S.I. 2005/2014\)](#), regs. 1(1), [44](#)

257 Supplementary

- (1) Allowances and charges to which sections 255 and 256 apply are not to be given effect otherwise than in accordance with those sections.
- (2) Subsection (1) does not prevent any allowance which is to be given effect under those sections from being taken into account in any calculation for the purposes of—
 - ^{F12}(a) section 93(5) of FA 2012 (minimum profits test), or
 - (b) section 103 of FA 2012 (rules for determining policyholders' share of I - E profit).

^{F13}(3)]

Textual Amendments

- F12** S. 257(2)(a)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 100](#)
F13 S. 257(3) repealed (with effect in accordance with Sch. 10 para. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 14\(8\)\(a\)](#), [Sch. 27 Pt. 2\(10\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross
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