Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 17

[[F1]OTHER ANTI-AVOIDANCE**]**

Restrictions on allowances

216 Sale and leaseback, etc.

(1) Allowances under this Part are restricted under sections 217 and 218 **[**[F1](or, as the case may be, 218ZA(3))**]** if—

(a) B enters into a relevant transaction with S, and

(b) the plant or machinery—

(i) continues to be used for the purposes of a qualifying activity carried on by S **[**[F2]or by a person (other than B) who is connected with S**]**, or

(ii) is used after the date of the transaction for the purposes of a qualifying activity carried on by S or by a person (other than B) who is connected with S, without having been used since that date for the purposes of any other qualifying activity except that of leasing the plant or machinery.

(2) In this section—

"the date of the transaction" means the date of the sale, the making of the contract or the assignment referred to in section 213(1)(a) to (c), and

"qualifying activity" includes any activity listed in section 15(1) even if any profits or gains from it are not chargeable to tax.

Textual Amendments

F1 Words in s. 216(1) inserted (with effect in accordance with Sch. 9 para. 9(1)(3) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 9 para. 4**

F2 Words in s. 216(1)(b)(i) inserted (with effect in accordance with Sch. 32 para. 25 to the amending Act) by Finance Act 2009 (c. 10), **Sch. 32 para. 23**

Changes to legislation:
There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 216.