



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

### CHAPTER 4

#### FIRST-YEAR QUALIFYING EXPENDITURE

##### *Types of expenditure which may qualify for first-year allowances*

#### **[<sup>F1</sup>45G Plant or machinery used for less than five years in a ring fence trade**

- (1) Expenditure incurred by a company on the provision of plant or machinery is to be treated as never having been first-year qualifying expenditure under section 45F if the plant or machinery—
  - (a) is at no time in the relevant period used in a ring fence trade carried on by the company or a company connected with it, or
  - (b) is at any time in the relevant period used for a purpose other than that of a ring fence trade carried on by the company or a company connected with it.
- (2) For the purposes of this section “ the relevant period ” means whichever of the following periods, beginning with the incurring of the expenditure, first ends, namely—
  - (a) the period ending with the fifth anniversary of the incurring of the expenditure, or
  - (b) the period ending with the day preceding the first occasion on which the plant or machinery, after becoming owned by the company which incurred the expenditure, is not owned by a company which is either that company or a company connected with it.
- (3) All such assessments and adjustments of assessments are to be made as are necessary to give effect to subsection (1).

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*Changes to legislation:* There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 45G. (See end of Document for details)

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- (4) If a person who has made a return becomes aware that, after making it, anything in it has become incorrect because of the operation of this section, he must give notice to [F<sup>2</sup>an officer of Revenue and Customs] specifying how the return needs to be amended.
- (5) The notice must be given within 3 months beginning with the day on which the person first became aware that anything in the return had become incorrect because of the operation of this section.
- (6) In this section “ ring fence trade ” has the same meaning as in section 45F. ]

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**Textual Amendments**

- F1** S. 45G inserted (with effect as mentioned in s. 63 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 63, [Sch. 21 para. 4](#)
- F2** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 83\(1\)](#); S.I. 2005/1126, art. 2(2)(h)
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**Modifications etc. (not altering text)**

- C1** Pt. 2 modified (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [s. 9\(1\)\(a\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 45G.