
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005. Cross Heading:
The ring fence: capital allowances: ship leasing: sale and lease-back arrangements. (See end of Document for details)

SCHEDULES

SCHEDULE 7

TONNAGE TAX

PART 1

AMENDMENTS OF SCHEDULE 22 TO FA 2000

The ring fence: capital allowances: ship leasing: sale and lease-back arrangements

- 14 (1) Paragraph 92 is amended as follows.
- (2) In sub-paragraph (2) (meaning of “sale and lease-back arrangements”) for “subject to sub-paragraph (3)” substitute “ subject to sub-paragraphs (3) and (3A) ”.
- (3) After sub-paragraph (3) insert—
- “(3A) This paragraph does not apply if—
- (a) expenditure is incurred on enhancing the ship or on converting it to another use,
 - (b) the amount of that expenditure—
 - (i) is greater than 33% of the market value of the ship immediately after completion of the enhancement or conversion, and
 - (ii) is equal to or greater than the market value of the interest in the ship which is the subject of the transaction mentioned in Step Two in sub-paragraph (2), and
 - (c) that transaction is effected not more than four months after the first occasion following completion of the enhancement or conversion on which the ship is brought into use by any person for any purpose.”.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2005, Cross Heading: The ring fence: capital allowances: ship leasing: sale and lease-back arrangements.