



Corporation Tax Act 2010

2010 CHAPTER 4

PART 9

LEASING PLANT OR MACHINERY

CHAPTER 5

SALES OF LESSORS: ANTI-AVOIDANCE PROVISIONS

436 Balance sheet amounts determined on assumption company has no liabilities

- (1) This section applies if—
 - (a) a company owns any plant or machinery at any time on any day (“the relevant day”),
 - (b) for the purpose of determining a question as to the application of Chapter 3 or 4 regard must be had to the amount (if any) which falls (or would fall) to be shown in any balance sheet of the company in respect of the plant or machinery, and
 - (c) condition A or B is met.
- (2) Condition A is met if, apart from this section, there would be no amount which would fall to be shown in the balance sheet of the company in respect of the plant or machinery.
- (3) Condition B is met if the amount which, apart from this section, would fall to be shown in the balance sheet of the company in respect of the plant or machinery is less than the amount which would fall to be so shown on the assumption in subsection (4).
- (4) The assumption is that the company has no liabilities of any kind at any time on the relevant day.
- (5) For the purpose of determining the question as to the application of Chapter 3 or 4, the amount which falls (or would fall) to be shown in any balance sheet of the company in respect of the plant or machinery is to be determined on the assumption in

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 436. (See end of Document for details)

subsection (4) (as well as on the other assumptions applicable under other provisions of those Chapters).

(6) In this section “liabilities” includes any share capital issued by the company which falls to be treated for accounting purposes as a liability.

[^{F1}(7) Except for subsection (6), this section applies to a partnership as it applies to a company, and references to “company” are to be read accordingly.]

Textual Amendments

F1 S. 436(7) inserted (with effect in accordance with Sch. 6 para. 27 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 6 para. 19](#)

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 436.