
Changes to legislation: Finance Act 2011, Cross Heading: Businesses carried on by companies alone is up to date with all changes known to be in force on or before 18 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 6

LEASING BUSINESSES

Businesses carried on by companies alone

- 1 Chapter 3 of Part 9 of CTA 2010 (sale of lessors: leasing business carried on by a company alone) is amended as follows.
- 2 (1) Section 387 (“business of leasing plant or machinery”) is amended as follows.
 - (2) In subsection (3), for “qualifying leased plant or machinery” substitute “ plant or machinery falling within subsection (7) ”.
 - (3) For subsection (5) substitute—

“(5) Condition B is that at least half of the relevant company's income in the past 12 months derives from plant or machinery falling within subsection (7).”
 - (4) For subsections (7) and (8) substitute—

“(7) Plant or machinery falls within this subsection if—

 - (a) it is or at any time in the past 12 months has been leased out by the relevant company or a qualifying associate,
 - (b) the lease under which it is or has been leased out is a plant or machinery lease but not an excluded lease of background plant or machinery for a building (see section 437(3)), and
 - (c) if the plant or machinery satisfies paragraph (a) only because it is or has been leased out by a qualifying associate, the lessee under the lease is or was someone other than the relevant company.
 - (8) For the purposes of subsection (7)—
 - (a) plant or machinery is “leased out” by a person if it is subject to a plant or machinery lease under which that person is a lessor,
 - (b) “associate” means a person connected with the relevant company (see also subsection (9)), and
 - (c) a person is a “qualifying associate” if the person is an associate at the start of the relevant day or at any earlier time in the past 12 months (whether or not a time when the plant or machinery was leased out by the person).
 - (9) If the relevant company is owned by a consortium or is a qualifying 75% subsidiary of a company owned by a consortium, the reference in subsection (8)(b) to a person connected with the relevant company also includes—
 - (a) any member of the consortium, and
 - (b) any person connected with such a member.

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(10) A reference in this section to the past 12 months is to the period of 12 months ending with the relevant day.”

3 In section 389 (provision supplementing section 388), in subsection (5)(b), for “market value” substitute “ ascribed value ”.

4 In section 390 (relevant plant or machinery value where relevant company lessee under long funding lease etc), in subsection (2), for “market value” substitute “ ascribed value ”.

5 In section 391 (relevant company's income for condition B in section 387), in subsection (5), for “qualifying leased plant or machinery” substitute “ plant or machinery falling within section 387(7) ”.

6 (1) Section 398G (transfers into and out of A) is amended as follows.

(2) Omit subsection (2).

(3) For subsection (3) substitute—

“(3) If any event occurs that requires A to bring the disposal value of plant or machinery into account under Part 2 of CAA 2001, that Part has effect as if the disposal value that A is required to bring into account were the higher of—

- (a) the disposal value determined in accordance with that Part, and
- (b) the ascribed value of the plant or machinery.

(4) Section 265 of CAA 2001 (successions) is subject to this section.”

7 In section 401 (provisions supplementing section 400), in subsection (5)(b), for “market value” substitute “ ascribed value ”.

8 In section 402 (“PM” where relevant company lessee under long funding lease etc), in subsection (2), for “market value” substitute “ ascribed value ”.

9 (1) Section 403 (“TWDV” in section 399) is amended as follows.

(2) In subsection (2), for paragraph (b) substitute—

“(b) in calculating the amounts of unrelieved qualifying expenditure mentioned in subsection (1)(a) to (c), any part of those amounts that is relevant new expenditure is to be left out of account.”

(3) After that subsection insert—

“(3) Relevant new expenditure” means—

- (a) expenditure attributable to plant or machinery acquired by the relevant company on the relevant day except for plant or machinery acquired on that day from an associated company, and
- (b) expenditure incurred on the relevant day but attributable to plant or machinery acquired by the relevant company before that day.

(4) In subsection (3)—

- (a) “acquired” includes brought into use or made available for use for the first time for the purposes of the business, and
- (b) a reference to anything acquired or incurred includes anything treated as acquired or treated as incurred.”

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 23 para. 45(1)(ia) inserted by [2017 c. 10 Sch. 11 para. 6\(3\)](#)
- Sch. 23 para. 2(1A) inserted by [S.I. 2019/397 reg. 2\(2\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)
- Sch. 23 para. 15A inserted by [S.I. 2019/397 reg. 2\(3\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)