

SCHEDULES

SCHEDULE 1

CAPITAL ALLOWANCES

PART 6

TRANSITIONAL PROVISIONS

Know-how allowances: allocation of unrelieved expenditure to pools

- 21 (1) This paragraph applies if—
- (a) in the case of a company, the company is a NIRE company or [^{F1}an SME (Northern Ireland employer) company] in the transition period, or
 - (b) in the case of a partnership, the company is a Northern Ireland firm in the transition period.
- (2) Subsection (3) applies if at the beginning of the transition period—
- (a) an NI rate activity carried on by the company begins to be treated by section 6D of CAA 2001 as a separate qualifying trade for the purposes of Part 7 of that Act (know-how allowances), or
 - (b) an NI rate activity carried on by the partnership begins to be treated by section 6D of CAA 2001 as a separate qualifying trade for the purposes of Part 7 of that Act so far as relating to the corporate partner calculation.
- (3) The amount of any unrelieved qualifying expenditure in any pool falling to be carried forward under section 461 of CAA 2001 from the previous chargeable period is to be apportioned on a just and reasonable basis to become—
- (a) a pool that is to be treated as relating to the NI rate activity, and
 - (b) a pool that is to be treated as relating to the main rate activity.
- (4) “Main rate activity” means the trade to which the qualifying expenditure relates, except so far as it is an NI rate activity.
- (5) Other expressions used in this paragraph and in Part 7 of CAA 2001 as amended by this Schedule have the same meaning as in that Part.

Textual Amendments

- F1** Words in [Sch. 1 para. 21\(1\)\(a\)](#) substituted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 7 para. 25](#)

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax (Northern Ireland) Act 2015, Paragraph 21.