



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 11

OVERSEAS LEASING

Basic terms

105 “Leasing”, “overseas leasing” etc.

- (1) In this Chapter—
 - (a) “leasing” includes letting a ship or aircraft on charter or letting any other asset on hire, and
 - (b) references to a lease include a sub-lease (and references to a lessor or lessee are to be read accordingly).
- (2) Plant or machinery is used for overseas leasing if it is used for the purpose of being leased to a person who—
 - (a) is not resident in the United Kingdom, and
 - (b) does not use the plant or machinery exclusively for earning profits chargeable to tax.
- (3) In this Chapter “profits chargeable to tax”—
 - (a) includes profits chargeable under section 830(4) of ICTA (profits from exploration and exploitation of the seabed etc.), but
 - (b) excludes profits arising to a person who, under double taxation arrangements, is afforded or is entitled to claim any relief from the tax chargeable on those profits.

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- (4) “Double taxation arrangements” means arrangements specified in an Order in Council making any such provisions as are referred to in section 788 of ICTA.
- (5) “Protected leasing” of plant or machinery means—
 - (a) short-term leasing of the plant or machinery (as defined in section 121), or
 - (b) if the plant or machinery is a ship, aircraft or transport container, the use of the ship, aircraft or transport container for a qualifying purpose under section 123 or 124 (letting on charter to UK resident etc.).
- (6) In this Chapter “qualifying activity” includes (subject to any provision to the contrary) any activity listed in section 15(1) even if any profits or gains from it are not chargeable to tax.

106 The designated period

- (1) Subject to subsection (2), the designated period, in relation to expenditure incurred by a person on the provision of plant or machinery, is the period of 10 years beginning with the date on which he first brought the plant or machinery into use.
- (2) If the person who incurred the expenditure ceases to own the plant or machinery before the end of the 10 year period, the designated period ends on the date when he ceases to own it.
- (3) For the purposes of subsection (2), a person is to be treated as continuing to own plant or machinery so long as it is owned by a person who—
 - (a) is connected with him, or
 - (b) acquired it from him as a result of one or more disposals on the occasion of which, or each of which, the qualifying activity carried on by the person making the disposal was treated as continuing under one of the relevant provisions of ICTA.
- (4) “The relevant provisions of ICTA” means section 113(2) or 114(1) (effect of change in persons carrying on a trade etc.).

Certain expenditure to be pooled

107 The overseas leasing pool

- (1) Qualifying expenditure to which this section applies, if allocated to a pool, must be allocated to a class pool (“the overseas leasing pool”).
- (2) This section applies to qualifying expenditure if—
 - (a) it is incurred on the provision of plant or machinery for leasing,
 - (b) the plant or machinery is at any time in the designated period used for overseas leasing which is not protected leasing, and
 - (c) the expenditure is not—
 - (i) long-life asset expenditure, or
 - (ii) expenditure that is required to be allocated to a single asset pool.

108 Effect of disposal to connected person on overseas leasing pool

- (1) This section applies if—

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- (a) a person who has incurred qualifying expenditure which has been allocated to an overseas leasing pool disposes of the plant or machinery to a connected person,
 - (b) the disposal is not an occasion on which the qualifying activity is treated as continuing under any of the relevant provisions of ICTA, and
 - (c) a disposal value is required to be brought into account on that occasion under this Part.
- (2) The disposal value to be brought into account is—
- (a) the market value of the plant or machinery at the time of the disposal, or
 - (b) if less, the qualifying expenditure incurred by the person disposing of the plant or machinery.
- (3) The person acquiring the plant or machinery is to be treated for the purposes of this Part as having incurred expenditure on its provision of an amount equal to the disposal value given by subsection (2).
- (4) “The relevant provisions of ICTA” means section 113(2), 114(1) or 343(2) (effect of change in persons carrying on a trade etc. or of company reconstruction).

Allowances reduced or, in certain cases, prohibited

109 Writing-down allowances at 10%

- (1) The amount of the writing-down allowance to which a person is entitled for a chargeable period in respect of expenditure to which this section applies is 10% of the amount by which AQE exceeds TDR (see Chapter 5).
- (2) This section applies to expenditure incurred on the provision of plant or machinery for leasing if—
- (a) the plant or machinery is at any time in the designated period used for overseas leasing which is not protected leasing, and
 - (b) the expenditure is not long-life asset expenditure.
- (3) Subsection (2) applies to expenditure even if the expenditure is in a single asset pool.
- (4) Subsections (3) and (4) of section 56 (proportionate increases or reductions in amount in certain cases) apply for the purposes of subsection (1) of this section as they apply for the purposes of subsection (1) of that section.

110 Cases where allowances are prohibited

- (1) A person is not entitled to any writing-down or balancing allowances in respect of qualifying expenditure which is within subsection (2).
- (2) Expenditure is within this subsection if—
- (a) it is incurred on the provision of plant or machinery for leasing,
 - (b) the plant or machinery is at any time in the designated period used for overseas leasing which is not protected leasing,
 - (c) the plant or machinery is used otherwise than for a qualifying purpose (see sections 122 to 125), and
 - (d) the lease is within any of the items in the list below.

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List

LEASES IN RELATION TO WHICH ALLOWANCES ARE PROHIBITED

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| 1. | The lease is expressed to be for a period of more than 13 years. |
| 2. | <p>The lease, or a separate agreement, provides for—</p> <ul style="list-style-type: none"> (a) extending or renewing the lease, or (b) the grant of a new lease, making it possible for the plant or machinery to be leased for a period of more than 13 years. |
| 3. | There is a period of more than one year between the dates on which any two consecutive payments become due under the lease. |
| 4. | Any payments are due under the lease or a collateral agreement other than periodical payments. |
| 5. | <p>If payments due under the lease or a collateral agreement are expressed as monthly amounts due over a period, any payment due for that period is not the same as any of the others.</p> <p>But, for this purpose, ignore variations made under the terms of the lease which are attributable to changes in—</p> <ul style="list-style-type: none"> (a) the rate of corporation tax or income tax, (b) the rate of capital allowances, (c) any rate of interest where the changes are linked to changes in the rate of interest applicable to inter-bank loans, or (d) the premiums charged for insurance of any description by a person who is not connected with the lessor or the lessee. |
| 6. | <p>The lessor or a person connected with the lessor will, or may in certain circumstances, become entitled at any time to receive from the lessee or any other person a payment, other than a payment of insurance money, which is—</p> <ul style="list-style-type: none"> (a) of an amount determined before the expiry of the lease, and |

- (b) referable to a value of the plant or machinery at or after the expiry of the lease.

For this purpose, it does not matter whether the payment relates to a disposal of the plant or machinery.

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- (3) In items 4 and 5 of the list “collateral agreement” means an agreement which might reasonably be construed as being collateral to the lease.

Recovery of excess allowances

111 Excess allowances: standard recovery mechanism

- (1) If—
- (a) expenditure incurred by a person in providing plant or machinery has qualified for a first-year allowance or a normal writing-down allowance, and
 - (b) at any time in the designated period, the plant or machinery is used for overseas leasing which is not protected leasing,
- the following provisions of this section have effect in relation to the person who is the owner of the plant or machinery when it is first so used.
- (2) For the chargeable period in which the plant or machinery is first used as described in subsection (1)(b), the owner is—
- (a) liable to a balancing charge of an amount given by subsection (4), and
 - (b) required to bring into account a disposal value of an amount given by that subsection.
- (3) For the chargeable period following that in which the plant or machinery is first used as described in subsection (1)(b), an amount given by subsection (4) is to be allocated to whatever pool is appropriate for plant or machinery which is of that description and is provided for leasing and used for overseas leasing.

- (4) The amounts are—

The balancing charge

The amount, if any, by which $F + N$ exceeds T , where—

F is the amount of any first-year allowance made in respect of the qualifying expenditure referred to in subsection (1)(a) (“ E ”),

N is the total of any normal writing-down allowances made in respect of E for the relevant chargeable periods, and

T is the total of the allowances that could have been made for the relevant chargeable periods if no first-year allowance or normal writing-down allowances had been or could have been made.

The disposal value

The amount, if any, by which E exceeds $(F + N)$, where E , F and N have the meaning given in relation to the amount of the balancing charge.

The amount to be allocated to the pool

The aggregate of the balancing charge and the disposal value.

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- (5) For the purpose of calculating N, the normal writing-down allowances that were made in respect of expenditure on an item of plant or machinery are to be determined as if that item were the only item of plant or machinery in relation to which Chapter 5 had effect.
- (6) “The relevant chargeable periods” means the chargeable period in which the qualifying expenditure was incurred and any subsequent chargeable period up to and including the one in which the plant or machinery was first used as described in subsection (1)(b).

112 Excess allowances: connected persons

- (1) Section 111 applies with the modifications in subsections (2) to (4) in a case in which—
 - (a) the owner acquired the plant or machinery as a result of a transaction between connected persons (or a series of transactions each of which was between connected persons),
 - (b) none of the relevant provisions of ICTA under which the qualifying activity might have been treated as continuing has applied in respect of the transaction (or transactions), and
 - (c) any of the connected persons is a person to whom—
 - (i) a first-year allowance or a normal writing-down allowance has been made in respect of expenditure on the provision of the plant or machinery, or
 - (ii) a balancing allowance has been made in respect of such expenditure without a first-year allowance or normal writing-down allowance having been claimed.
- (2) For the purposes of section 111(2) and (3)—
 - E is the amount of the expenditure in respect of which an allowance within subsection (1)(c) has been made,
 - F is the amount of any first-year allowance within subsection (1)(c), and
 - N is the amount of any normal writing-down allowance or balancing allowance within subsection (1)(c).
- (3) For the purposes of section 111(2) and (3), any consideration paid or received on a disposal of the plant or machinery between the connected persons is to be disregarded.
- (4) If a balancing allowance or a balancing charge has been made in respect of any of the transactions, the amount representing $F + N$ is to be adjusted in a just and reasonable manner.
- (5) “The relevant provisions of ICTA” means section 113(2), 114(1) or 343(2) (effect of change in persons carrying on a trade etc. or of company reconstruction).

113 Excess allowances: special provision for ships

- (1) If the plant or machinery referred to in section 111 is a ship—
 - (a) no allowance is to be made in respect of the ship under section 131(3) (postponed allowances) for the first chargeable period of overseas use or any subsequent chargeable period,
 - (b) nothing in section 132(2) (disposal events and single ship pool) restricts the operation of section 111, and

- (c) the amount of any first-year or writing-down allowance in respect of the ship which has been postponed under section 130 and not made is to be allocated to a long-life asset pool or an overseas leasing pool for the chargeable period following the first chargeable period of overseas use.
- (2) “The first chargeable period of overseas use” means the chargeable period in which the plant or machinery is first used for overseas leasing which is not protected leasing.

Recovery of allowances given in cases where prohibition applies

114 Prohibited allowances: standard recovery mechanism

- (1) If—
- (a) a first-year allowance, a writing-down allowance or a balancing allowance has been made in respect of expenditure incurred in providing plant or machinery, and
 - (b) at any time in the designated period, an event occurs such that the expenditure is brought within section 110(2) (cases where allowances are prohibited),
- the following provisions have effect in relation to the person owning the plant or machinery immediately before that event.
- (2) For the chargeable period in which the event occurs, the owner is—
- (a) liable to a balancing charge of an amount equal to $A - R$, and
 - (b) required to bring into account a disposal value of an amount equal to $E - (A - R)$.
- (3) For the purposes of subsection (2)—
- A is the amount of any allowances within subsection (1)(a),
 - R is any amount previously recovered under section 111 or 112 (recovery of excess allowances), and
 - E is the amount of the expenditure referred to in subsection (1)(a).
- (4) For the purpose of calculating A, the amount of the allowances made in respect of expenditure on an item of plant or machinery is to be determined as if that item were the only item of plant or machinery in relation to which Chapter 5 had effect.

115 Prohibited allowances: connected persons

- (1) Section 114 applies with the modifications in subsection (2) in a case in which—
- (a) an amount falls to be treated as a balancing charge under that section,
 - (b) the person on whom the balancing charge is to be imposed acquired the plant or machinery in question as a result of a transaction between connected persons (or a series of transactions each of which was between connected persons),
 - (c) none of the relevant provisions of ICTA under which the qualifying activity might have been treated as continuing has applied in respect of the transaction (or transactions), and
 - (d) a first-year allowance, a writing-down allowance or a balancing allowance in respect of expenditure on the provision of that plant or machinery has been made to any of those persons.

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- (2) For the purpose of calculating the balancing charge—
- (a) A is the amount of any allowances within subsection (1)(d),
 - (b) any consideration paid or received on a disposal of the plant or machinery between the connected persons is to be disregarded, and
 - (c) if a balancing allowance or a balancing charge has been made in respect of any of the transactions, A is to be adjusted in a just and reasonable manner.
- (3) “The relevant provisions of ICTA” means section 113(2), 114(1) or 343(2) (effect of change in persons carrying on a trade etc. or of company reconstruction).

Application of Chapter in relation to joint lessees

116 Mitigation of regime

- (1) This section applies if—
- (a) plant or machinery is leased to two or more persons jointly,
 - (b) at least one of them is a person who—
 - (i) is not resident in the United Kingdom, and
 - (ii) does not use the plant or machinery exclusively for earning profits chargeable to tax, and
 - (c) the leasing is not protected leasing.
- (2) Subsection (3) applies if, at any time when the plant or machinery is leased as described in subsection (1), the lessees use the plant or machinery for the purposes of a qualifying activity or activities but not for leasing.
- (3) The expenditure on the provision of the plant or machinery is to be treated as not subject to sections 107, 109 and 110 if, and to the extent to which, it appears that the profits of the qualifying activity or activities will be chargeable to tax throughout—
- (a) the designated period, or
 - (b) if shorter, the period of the lease.
- (4) Subsection (5) applies if, under subsection (3), part of the expenditure is treated as not subject to section 107, 109 or 110.
- (5) Whether or not the plant or machinery continues to be leased as described in subsection (1), Chapters 5 (allowances and charges) and 10 (long-life assets) and this Chapter have effect as if—
- (a) the part of the expenditure that is not subject to section 107, 109 or 110 were expenditure on the provision of a separate item of plant or machinery, and
 - (b) the rest were expenditure which has been incurred on the provision of another item of plant or machinery (and which is subject to those sections).
- (6) All such apportionments are to be made as are necessary as a result of subsection (5).

117 Recovery of allowances in case of joint lessees

- (1) If—
- (a) expenditure is incurred on the provision of plant or machinery which is leased as described in section 116(1),

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- (b) the whole or a part of the expenditure has qualified for a normal writing-down allowance under section 116(3),
- (c) at any time in the designated period while the plant or machinery is so leased, no lessee uses the plant or machinery for the purposes of a qualifying activity or activities the profits of which are chargeable to tax, and
- (d) section 114 (recovery of prohibited allowances) does not apply at that time and has not applied at any earlier time,

sections 111 and 112 (recovery of excess allowances) apply as if the plant or machinery or (as the case may be) the separate item of plant or machinery referred to in section 116(5)(a) had at that time begun to be used for overseas leasing which is not protected leasing.

(2) If—

- (a) the whole or a part of any expenditure has qualified for—
 - (i) a normal writing-down allowance otherwise than as a result of section 116(3), or
 - (ii) a first-year allowance,
- (b) subsequently, but during the designated period, the plant or machinery is leased as described in section 116(1),
- (c) at any time in the designated period while the plant or machinery is so leased, no lessee uses the plant or machinery for the purposes of a qualifying activity or activities the profits of which are chargeable to tax, and
- (d) section 114 (recovery of prohibited allowances) does not apply at that time and has not applied at any earlier time,

sections 111 and 112 (recovery of excess allowances) apply as if the plant or machinery (and not any separate item of plant or machinery referred to in section 116(5)(a)) had at that time begun to be used for overseas leasing which is not protected leasing.

(3) Subsections (4) and (5) apply if—

- (a) expenditure is incurred on the provision of plant or machinery which is leased as described in section 116(1),
- (b) the whole or a part of the expenditure has qualified for a normal writing-down allowance under section 116(3),
- (c) at the end of the designated period, the plant or machinery is leased as described in section 116(1) but subsection (1) has not had effect, and
- (d) it appears that the extent to which the plant or machinery has been used for the purposes of a qualifying activity or activities the profits of which are chargeable to tax is less than the extent of such use taken into account in determining the amount of the expenditure which qualified for a normal writing-down allowance.

(4) Sections 111 and 112 (recovery of excess allowances) apply as if—

- (a) a part of the expenditure corresponding to the reduction in the extent of use referred to in subsection (3)(d) were expenditure on the provision of a separate item of plant or machinery, and
- (b) the separate item of plant or machinery had been used, on the last day of the designated period, for overseas leasing which is not protected leasing.

(5) Any disposal value subsequently brought into account under this Part in respect of the plant or machinery must be apportioned by reference to the extent of its use

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(determined at the end of the designated period) for the purposes of a qualifying activity or activities the profits of which are chargeable to tax.

- (6) If an apportionment is made under subsection (5), section 116(6) does not apply.

Duties to supply information

118 Certificate relating to protected leasing

- (1) If—
- (a) expenditure is incurred on the provision of plant or machinery, and
 - (b) before the expenditure has qualified for a normal writing-down allowance, the plant or machinery is used for overseas leasing which is protected leasing,
- a claim for a writing-down allowance which takes account of that expenditure must be accompanied by a certificate.
- (2) The certificate must specify—
- (a) the description of protected leasing,
 - (b) the person to whom the plant or machinery has been leased, and
 - (c) if the certificate is given by reference to a chargeable period, all the items of plant or machinery (if more than one) relevant to that period.
- (3) Subsection (1) applies, for the purposes of claims to first-year allowances, as if the references to a normal writing-down allowance and to a writing-down allowance included a first-year allowance.
- (4) But nothing in subsection (3) prevents subsection (1) from continuing to apply if the use for protected leasing occurs after the expenditure has qualified for one allowance and before it qualifies for another.

119 Notice of change of use of plant or machinery

- (1) If—
- (a) any expenditure on plant or machinery has qualified for a first-year allowance or a normal writing-down allowance, and
 - (b) the plant or machinery is subsequently used at any time in the designated period for overseas leasing which is not protected leasing,
- the person who then owns the plant or machinery must give notice of the fact to the Inland Revenue.
- (2) The notice must specify—
- (a) the person who is not resident in the United Kingdom to whom the plant or machinery has been leased, and
 - (b) if the notice is given by reference to a chargeable period, all the items of plant or machinery (if more than one) relevant to that period.
- (3) The notice must be given—
- (a) no later than 3 months after the end of the chargeable period in which the plant or machinery is first used for overseas leasing which is not protected leasing, or

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- (b) if at the end of the 3 months the person required to give the notice does not know and cannot reasonably be expected to know that the plant or machinery is being so used, within 30 days of coming to know of it.

120 Notice and joint lessees

- (1) If expenditure is incurred on the provision of plant or machinery which is leased as described in section 116(1) (joint lessees: mitigation of regime), the lessor must give notice to the Inland Revenue.
- (2) A notice under subsection (1) must specify—
 - (a) the names and addresses of the persons to whom the asset is jointly leased,
 - (b) the part of the expenditure properly attributable to each of them, and
 - (c) which of them (so far as the lessor knows) is resident in the United Kingdom.
- (3) If circumstances occur such that section 117(1) or (2) (recovery of allowances) applies, the person who is then the lessor must give notice of the fact to the Inland Revenue.
- (4) A notice under subsection (3) must specify—
 - (a) any of the joint lessees who is not resident in the United Kingdom to whom the plant or machinery has been leased, and
 - (b) if it is given by reference to a chargeable period, all the items of plant or machinery (if more than one) relevant to that period.
- (5) A notice under this section must be given—
 - (a) no later than 3 months after the end of the chargeable period in which the plant or machinery is first leased as described in section 116(1) or (as the case may be) in which the circumstances referred to in subsection (3) occur, or
 - (b) if at the end of the 3 months the person required to give the notice does not know and cannot reasonably be expected to know that the plant or machinery is being so used, within 30 days of coming to know of it.

Qualifying purposes

121 Meaning of “short-term leasing”

- (1) Leasing of plant or machinery is short-term leasing if—
 - (a) the number of consecutive days for which it is leased to the same person will normally be less than 30, and
 - (b) the total number of days for which it is leased to that person in any period of 12 months will normally be less than 90.
- (2) Leasing of plant or machinery is also short-term leasing if—
 - (a) the number of consecutive days for which the plant or machinery is leased to the same person will not normally exceed 365, and
 - (b) the total length of the periods for which it is leased in any consecutive period of 4 years within the designated period to lessees in circumstances not falling within section 125(4) (other qualifying purposes: non-leasing use) will not exceed 2 years.
- (3) If any plant or machinery is leased as a number of items which—
 - (a) form part of a group of items of the same or a similar description, and

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(b) are not separately identifiable,
 all items in the group may be treated as used for short-term leasing if substantially the whole of the items in the group are so used.

(4) For the purposes of subsections (1) and (2) persons who are connected with each other are to be treated as the same person.

122 Short-term leasing by buyer, lessee, etc.

(1) Plant or machinery is used for a qualifying purpose at any time when any of the persons listed in subsection (2) uses it for short-term leasing (as defined by section 121).

(2) The persons are—

- (a) the person (“X”) who incurred expenditure on the provision of the plant or machinery;
- (b) a person who is connected with X;
- (c) a person who acquired the plant or machinery from X as a result of—
 - (i) a disposal on the occasion of which, or
 - (ii) two or more disposals on the occasion of each of which,
 the qualifying activity carried on by the person making the disposal was treated as continuing under one of the relevant provisions of ICTA;
- (d) a person to whom the plant or machinery is leased and who is resident in the United Kingdom;
- (e) a person to whom the plant or machinery is leased, who is carrying on a qualifying activity in the United Kingdom and who uses the plant or machinery for the short-term leasing in the course of that activity.

(3) “The relevant provisions of ICTA” means section 113(2) or 114(1) (effect of change in persons carrying on a trade etc.).

123 Ships and aircraft

(1) A ship is used for a qualifying purpose at any time when it is let on charter in the course of a trade which consists of or includes operating ships by a person who is—

- (a) resident in the United Kingdom or carries on the trade there, and
- (b) responsible for navigating and managing the ship throughout the period of the charter and for defraying—
 - (i) all expenses in connection with the ship throughout that period, or
 - (ii) substantially all such expenses other than those directly incidental to a particular voyage or to the employment of the ship during that period.

(2) Subsection (1) applies, with the necessary modifications, in relation to aircraft as it applies in relation to ships.

(3) For the purposes of subsection (1)(b) a person is responsible for something if he—

- (a) is responsible as principal, or
- (b) appoints another person to be responsible in his place.

(4) Subsections (1) and (2) do not apply if the main object, or one of the main objects—

- (a) of the letting of the ship or aircraft on charter,

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- (b) of a series of transactions of which the letting of the ship or aircraft on charter was one, or
 - (c) of any of the transactions in such a series,
- was to obtain a writing-down allowance determined without regard to section 109 (writing-down allowances at 10%) in respect of expenditure incurred by any person on the provision of the ship or aircraft.

124 Transport containers

- (1) A transport container is used for a qualifying purpose at any time when it is leased in the course of a trade which is carried on by a person who—
 - (a) is resident in the United Kingdom, or
 - (b) carries on the trade there,and either of the conditions given below is met.
- (2) The first condition is that—
 - (a) the person’s trade consists of or includes the operation of ships or aircraft, and
 - (b) the container is at other times used by that person in connection with the operation of the ships or aircraft.
- (3) The second condition is that the container is leased under a succession of leases to different persons who are not, or most of whom are not, connected with each other.

125 Other qualifying purposes

- (1) Plant or machinery is used for a qualifying purpose at any time when subsection (2) or (4) applies.
- (2) This subsection applies if any of the persons listed in subsection (3) uses the plant or machinery for the purpose of a qualifying activity without leasing it.
- (3) The persons are—
 - (a) the person (“X”) who incurred expenditure on the provision of the plant or machinery;
 - (b) a person who is connected with X;
 - (c) a person who acquired the plant or machinery from X as a result of—
 - (i) a disposal on the occasion of which, or
 - (ii) two or more disposals on the occasion of each of which,the qualifying activity carried on by the person making the disposal was treated as continuing under one of the relevant provisions of ICTA.
- (4) This subsection applies if—
 - (a) a lessee uses the plant or machinery for the purposes of a qualifying activity without leasing it, and
 - (b) if he had incurred expenditure on the provision of the plant or machinery at that time, the expenditure would have fallen to be included, in whole or in part, in his available qualifying expenditure for a chargeable period.
- (5) “The relevant provisions of ICTA” means section 113(2) or 114(1) (effect of change in persons carrying on a trade etc.).

Minor definitions

126 Minor definitions

- (1) In this Chapter “normal writing-down allowance” means a writing-down allowance of an amount determined without regard to sections 102 and 109 (reduced rates).
- (2) In this Chapter any reference, in relation to any person, to expenditure having qualified for a normal writing-down allowance is to—
 - (a) the expenditure, or part of it, having fallen to be included in that person’s available qualifying expenditure for any chargeable period, and
 - (b) that available qualifying expenditure being expenditure which is not subject to section 102 or 109.
- (3) Any reference in this Chapter to a person’s expenditure having qualified for a first-year allowance is to such an allowance having fallen to be made in respect of the whole or any part of the expenditure.