



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

[^{F1}CHAPTER 16A

[^{F1}RESTRICTIONS ON ALLOWANCE BUYING]

[^{F1}]^{F2}Limiting conditions

Textual Amendments

- F1** Pt. 2 Ch. 16A inserted (8.4.2010) (with effect in accordance with Sch. 4 para. 5, 6 to the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 4 para. 2](#)
- F2** [S. 212LA](#) and cross-heading inserted (with effect in accordance with Sch. 26 para. 13 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 26 para. 3](#)

212LA Limiting conditions

- (1) The qualifying change meets one of the limiting conditions if condition A, B, C or D is met.
- (2) Condition A is that the amount of the relevant excess of allowances is £50 million or more.
- (3) Condition B is that the amount of the relevant excess of allowances—
 - (a) is £2 million or more but less than £50 million, and
 - (b) is not insignificant as a proportion of the total amount or value of the benefits derived by any relevant person by virtue of the qualifying change or change arrangements.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross Heading: Limiting conditions. (See end of Document for details)

- (4) “Relevant person” means a person who, at the end of the relevant day, is—
- (a) a principal company of C,
 - (b) a person carrying on the relevant activity in partnership, or
 - (c) a person who is connected to a person within paragraph (a) or (b) (within the meaning of section 1122 of CTA 2010).
- (5) Condition C is that—
- (a) the amount of the relevant excess of allowances is less than £2 million, and
 - (b) the qualifying change has an unallowable purpose.
- See section 212M for the meaning of “unallowable purpose”.
- (6) Condition D is that the main purpose, or one of the main purposes, of any arrangements is to procure that condition A or B or paragraph (a) of condition C is not met.
- (7) In this section—
- the amount of the relevant excess of allowances is the difference between RTWDV and BSV (see sections 212K and 212L);
 - “change arrangements” and “arrangements” have the same meaning as in section 212M.]]

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross
Heading: Limiting conditions.