

*These notes refer to the Capital Allowances Act 2001
(c.2) which received Royal Assent on 22nd March 2001*

CAPITAL ALLOWANCES ACT 2001

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Glossary

Part 12: Supplementary provisions

Overview

1891. **Part 12** contains provisions which do not fit naturally into other Parts. These are:

- particular provisions for life assurance business (Chapter 1);
- general provisions about additional VAT liabilities and repayments under the capital goods scheme (Chapter 2);
- definitions about oil and oil licences and related matters (Chapter 3);
- provisions for partnerships, successions and transfers (Chapter 4);
- provisions for apportionments of proceeds from sales (for example) and other miscellaneous matters (Chapter 5); and
- final provisions for the Act (Chapter 6).

Chapter 1: Life assurance business

Overview

1892. This Chapter makes provisions for companies carrying on life assurance business:

- section 544 defines “management asset” and provides that there are no capital allowances on them other than plant and machinery allowances; and
- section 544 defines “investment asset” and provides for capital allowances on them to be apportioned between categories of business.

Section 544: Management assets

1893. This section is based on section 434D(1), (2) and (7) of ICTA. It defines “management asset” and restricts the availability of allowances for management assets.

1894. *Subsection (4)* ensures that “expenses of management within section 76 of ICTA” is given the intended meaning by disregarding section 76(1)(d). See *Note 69* in Annex 2.

Section 545: Investment assets

1895. This section is based on section 434E(1), (4) and (5) of ICTA. It defines “investment asset” and sets out rules for the allocation and availability of allowances for investment assets.

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1896. *Subsections (1) and (2)* define “investment asset” as any asset held by a company carrying on any life assurance business other than a management asset. This is a change to the definition in section 434E(1), since there is no reference here to property businesses. See *Change 61* in Annex 1.
1897. *Subsection (3)* requires any allowances in respect of investment assets to be apportioned between the categories of insurance business in the same way that income relating to the asset would be apportioned.
1898. *Subsection (4)* provides that capital allowances on investment assets are not available if the life assurance business is charged to tax under Case I of Schedule D, so that allowances are only available if the company is charged to tax on the I-E basis.
1899. *Subsection (5)* provides that capital allowances on investment assets are not taken into account in calculating the profits of the company’s pension business, life reinsurance business or overseas life assurance business. So, allowances on investment assets are only available in calculating the profits from the company’s BLAGAB.

Chapter 2: Additional VAT liabilities and rebates: interpretation, etc.

Overview

1900. This Chapter provides the interpretation for the provisions in Parts 2, 3 and 6 dealing with additional VAT liabilities and rebates. It is based on section 159A of CAA 1990.
1901. These provisions apply if taxpayers are required to make adjustments under the VAT capital items legislation (commonly known as the capital goods scheme) which is dealt with in regulations 112 to 116 of [VAT Regulations 1995 \(SI 1995/2518\)](#)).

Background

1902. The capital goods scheme is relevant to businesses that, under VAT legislation, make both exempt and non-exempt supplies. These traders are known as “partially exempt traders”. When a VAT-registered business incurs VAT on its purchases (input tax), it can usually offset these amounts against the tax it owes to HM Customs & Excise on its sales (output tax). However, partially-exempt businesses are not able to do so in respect of purchases attributable to exempt sales (or “supplies”).
1903. Generally with VAT, the rules for capital expenditure do not differ from the rules for revenue items. However, the capital goods scheme is an exception. For certain types of capital expenditure, it is necessary for partially-exempt businesses to make an annual adjustment over a period of five or ten years so that the reclaimable input tax reflects the proportion of use attributable to the making of non-exempt supplies during the period.
1904. The types of expenditure covered by the scheme can be broadly divided into three categories:
- computers or computer equipment worth £50,000 or more;
 - land and buildings worth £250,000 or more; and
 - building works worth £250,000 or more.

Adjustments are made over a five-year period in respect of the first category; and they are made over a ten-year period in respect of the other categories.

1905. It is a general principle of income tax and corporation tax that any non-recoverable VAT should be relieved as a cost for direct tax purposes. When the capital goods scheme was introduced in 1990, it became necessary to ensure that the capital allowances provisions could cater for VAT adjustments made under the Scheme so far as they related to expenditure covered by CAA 1990. The legislation to do this was introduced in FA 1991. And to simplify matters, the legislation was only introduced to cover cases

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in which the original expenditure was covered by the rules for plant and machinery allowances, industrial buildings allowances or R&D allowances.

1906. Broadly under these rules, if a taxpayer incurs an additional VAT liability (because the proportion of exempt use has risen) then the additional VAT liability is treated as additional capital expenditure incurred. And if a taxpayer receives an additional VAT rebate (because the proportion of exempt use has fallen) then the taxpayer is treated as receiving disposal proceeds equal to the amount received. However, the rules differ between the various Parts. This reflects the different schemes for allowances and charges under these Parts.

Section 546: Introduction

1907. This section is new and introduces the Chapter.

Section 547: “Additional VAT liability” and “additional VAT rebate”

1908. This section is based on section 159A(6) of CAA 1990. It provides a definition of the terms “additional VAT liability” and “additional VAT rebate”.

Sections 548 and 549: Time when additional VAT liability or rebate is incurred, made, accrues etc.

1909. These sections are based on section 159A of CAA 1990. They determine when additional VAT liabilities and rebates are treated as arising.
1910. Section 159A(1) to (4) of CAA 1990 determines when additional VAT liabilities and rebates are treated as arising for the purposes of CAA 1990. It is clear that such rules are necessary to ensure that calculations of allowances and charges reflect the additional VAT liabilities and rebates in the correct chargeable periods.
1911. The legislation, however, provides two different sets of rules to determine the time an additional VAT liability or rebate is treated as arising. One of these sets of rules is applied when determining in which chargeable period a liability or rebate is to be brought into account (or for which chargeable period an allowance or charge is to be made under the 1990 Act). The other set of rules is used in all other circumstances. In particular, it is used when the legislation requires certain conditions to be met at the time when the additional VAT liability or rebate arises.
1912. However, there are instances in which the same terminology is used with two different meanings in the same sentence. This Act has removed this obstacle to the understanding of the rules and uses two different labels to refer to the two different sets of rules.
1913. The time, determined in CAA 1990 by section 159A(1) and (2), is now referred to as the time when the additional VAT liability is incurred or the additional VAT rebate is made. This is the meaning that applies in all cases except when determining the chargeable period in which a liability or rebate is to be brought into account (or for which chargeable period an allowance or charge is to be made under the 1990 Act). This is dealt with in section 548.
1914. The time, determined in CAA 1990 by section 159A(3) and (4), is now referred to as the time when the additional VAT liability or rebate accrues. This is dealt with in section 549. This time will generally be later than the time determined in section 548.
1915. One advantage of using the later time in the legislation is to ensure that the appropriate capital allowances calculations do not generally need to be made until after the adjustment has been calculated for VAT purposes.
1916. Section 159A(4) of CAA 1990 may appear to determine only the chargeable period in which the additional VAT liability or rebate arises (or in the language of the new Act “accrues”). But CAA 1990 requires in various provisions the time (rather than just the

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chargeable period) in which the additional VAT liability or rebate accrues. This Act provides this. See *Note 70* in Annex 2.

Section 550: Apportionment of additional VAT liabilities and rebates

1917. This section is based on section 159A(5) and part of section 159A(7) of CAA 1990. It deals with cases in which it is necessary to apportion either the qualifying expenditure or the allowances or charges arising.
1918. In such cases, any additional VAT liability or rebate is subject to the same apportionment.

Section 551: Supplementary

1919. This section is based on section 159A(6) and part of section 159A(7) of CAA 1990. It provides definitions of terms used in the Chapter.

Chapter 3: Disposals of oil licences: Provisions relating to Parts 5 and 6

Overview

1920. This Chapter provides rules relating to the disposal of oil licences for the purposes of Parts 5 (mineral extraction) and 6 (research and development).
1921. These rules, whilst important to those concerned with the oil industry, are likely to be used by a minority of the users of either Part 5 or 6. They are dealt with here as they share many definitions in common but do not belong naturally in either Part 5 or Part 6.
1922. The rules require the “seller” and “purchaser” of certain interests in oil licences, related to undeveloped areas, to treat part of the consideration as having nil value. They also provide for the “recapture/reduction” of R&D allowances in certain cases in which an oil licence is disposed of.

Section 552: Meaning of “oil licence” and “interest in an oil licence”

1923. This section is based on sections 118A(4) and 138A(4) of CAA 1990, section 12(1) of OTA 1975 and section 196(5) of TCGA 1992.
1924. The section provides definitions for the purposes of this Chapter. Unlike section 118A(4) of CAA 1990 there is no reliance on cross-references to section 194 of TCGA 1992.

Section 553: Consideration to be treated as nil

1925. This section is based on parts of section 118A of CAA 1990 and section 196 of TCGA 1992. Section 118A is in Part IV of CAA 1990 but also has effect for Part VII of CAA 1990.
1926. The section treats certain consideration as having no value on the disposal of an oil licence relating to an undeveloped area.
1927. Disregarding some of the consideration affects the allowances and charges in Parts 5 and 6 that are associated with the acquisition or disposal of the oil licence concerned. Broadly, the “seller” may suffer a lower balancing charge and the purchaser may get lower allowances if this section applies.
1928. *Subsection (3)* might seem to use a different definition of “material disposal” from section 118A(2) of CAA 1990 but this is not the case. See *Note 71* of Annex 2.

Section 554: Circumstances in which oil licence relates to undeveloped area

1929. This section is based on section 118A(4) of CAA 1990, section 12(1) of OTA 1975 and section 196 of TCGA 1992. It determines when an oil licence relates to an undeveloped area without using a cross-reference to section 194 of TCGA 1992.

Section 555: Disposal of oil licence with exploitation value

1930. This section is based on section 138A of CAA 1990.

1931. When the section applies, part of the consideration for the oil licence is treated for the purpose of Part 6 (research and development) as if it were for the disposal of an asset representing qualifying expenditure. That treatment can lead to a recapture of R&D allowances given in relation to that qualifying expenditure.

Section 556: Minor definitions

1932. This section is based on sections 64A(12), 118A(4) and 138A(4) of CAA 1990, sections 1(1) and 12(1) of OTA 1975 and section 196 of TCGA 1992. It deals with minor definitions for the purposes of this Chapter.

Chapter 4: Partnerships, successions and transfers

Overview

1933. This Chapter provides rules for the transfer of and succession to trades and for the continuity of partnerships.

1934. [Section 557](#) gives the application of sections 558 and 559. Section 558 provides for the continuity of allowances to partnerships. Section 559 deals with transfers on succession without sale.

1935. [Section 560](#) provides rules for the transfer of insurance company businesses and section 561 deals with the transfer of a UK trade from a company resident in one European Union member state to a company resident in another.

Background

1936. There are other rules for successions elsewhere in this Act. In Part 2, sections 263 and 265 provide parallel provisions to sections 557 to 559. Section 343(2) of ICTA also provides for capital allowances to be given to a successor company in some circumstances. That provision is left in ICTA so that readers see there the full provisions for company reconstructions. But the text of section 343(1) and (2) is given below for ease of reference.

Section 343 Company reconstructions without a change of ownership

- “(1) Where, on a company (“the predecessor”) ceasing to carry on a trade, another company (“the successor”) begins to carry it on, and—
- (a) on or at any time within two years after that event the trade or an interest amounting to not less than a three-fourths share in it belongs to the same persons as the trade or such an interest belonged to at some time within a year before that event; and
 - (b) the trade is not, within the period taken for the comparison under paragraph (a) above, carried on otherwise than by a company which is within the charge to tax in respect of it;

then the Corporation Tax Acts shall have effect subject to subsections (2) to (6) below.

In paragraphs (a) and (b) above references to the trade shall apply also to any other trade of which the activities comprise the activities of the first mentioned trade.

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- (2) The trade shall not be treated as permanently discontinued nor a new trade as set up and commenced for the purpose of the allowances and charges provided for by the Capital Allowances Acts; but—
- (a) there shall be made to or on the successor in accordance with those Acts all such allowances and charges as would, if the predecessor had continued to carry on the trade, have fallen to be made to or on it; and
 - (b) the amount of any such allowance or charge shall be computed as if—
 - (i) the successor had been carrying on the trade since the predecessor began to do so, and
 - (ii) everything done to or by the predecessor had been done to or by the successor (but so that no sale or transfer which on the transfer of the trade is made to the successor by the predecessor of any assets in use for the purpose of the trade shall be treated as giving rise to any such allowance or charge).

The preceding provisions of this subsection shall not apply if the successor is a dual resident investing company (within the meaning of section 404) which begins to carry on the trade after 31st March 1987.

Section 557: Application of sections 558 and 559

1937. This section is based on section 152 of CAA 1990. It sets out the Parts of this Act to which sections 558 and 559 do not apply.
1938. These are Parts 2, 6 and 10 (plant and machinery, research and development, and assured tenancies). Those Parts have separate rules.

Section 558: Effect of partnership changes

1939. This section is based on section 152(3) of CAA 1990. It provides for continuity of allowances if the members of a partnership change.
1940. Subsection (5) contains a change because of its application to property businesses. See *Change 62* in Annex 1.

Section 559: Effect of successions

1941. This section is based on section 152(1) and (2) of CAA 1990. If an asset is transferred on succession, without a sale of the asset and the succession is following a deemed discontinuance, then the transfer is treated as a sale at market value.
1942. It does not apply to plant and machinery but section 265 provides a similar rule. See paragraph 911 above.
1943. If the succession is between connected persons then an election under section 569 may be available to substitute a lower figure. See paragraph 1973 below.
1944. *Subsection (5)* contains a change because of its application to property businesses. See *Change 62* in Annex 1.

Section 560: Transfer of insurance company business

1945. This section is based on section 152A of CAA 1990. It provides what is known as a “step-in-shoes” rule for transfers of insurance company businesses.
1946. The transfer has to be approved by a court under Part I of Schedule 2C to the Insurance Companies Act 1982 or be a qualifying overseas transfer within paragraph 4A of Schedule 19AC to ICTA.

Section 561: Transfer of a UK trade to a company in another member State

1947. This section is based on section 152B of CAA 1990. It provides a “step-in-shoes” rule for the transfer of a UK trade if it is transferred from a company resident in one member state to a company resident in another.
1948. This section cannot apply unless section 140A of TCGA 1992 applies so it needs to be read with sections 140A and 140B of TCGA 1992.

Chapter 5: Miscellaneous

Overview

1949. This Chapter provides miscellaneous provisions which apply to the whole Act or to several Parts of it.
1950. **Section 562** deals with apportionments if property is sold together.
1951. **Sections 563** and **564** provide a procedure for determining certain questions affecting two or more persons.
1952. **Section 565** deals with tax agreements for income tax purposes.
1953. **Section 566** provides a special rule for companies not resident in the UK.
1954. **Sections 567 to 570** provide for market value if sales are between connected persons or are transactions to obtain a tax advantage. They also provide for an election (if the sale is not a transaction to obtain a tax advantage) which will allow the price to be the amount of unused capital allowances.

Section 562: Apportionment where property sold together

1955. This section is based on section 150 of CAA 1990. It provides that if property is sold with other property the net proceeds are apportioned on a just and reasonable basis.
1956. Use of “just and reasonable apportionment” is a change from section 150(1) of CAA 1990 which uses “just apportionment”. See *Change 40* in Annex 1.
1957. All property sold as part of one bargain is treated as sold together.
1958. There is nothing in this section to reflect section 150(5) of CAA 1990. It has not been rewritten. See *Note 72* in Annex 2

Section 563: Procedure for determining certain questions affecting two or more persons

1959. This section and section 564 are based on section 151 of CAA 1990. They provide for apportionments which affect two or more persons to be decided by one body of appeal Commissioners in one hearing.

Section 564 Questions to which procedure in section 563 applies

1960. **Section 564** sets out the general cases in which the procedure in section 563 applies to decide:
- apportionment of a sum for Parts 3 to 12; and
 - market value for Part 2 and the other provisions listed.
1961. The procedure in section 563 is also applied in two other, particular circumstances over and above these general types which it would not be helpful to deal with here. See sections 357(6) and 561(4).

1962. The omission of Part 2 (plant and machinery) from *subsection (1)* might be thought odd. But there is no need for the procedure in section 563 for Part 2 generally. It is only directly relevant for market value – dealt with by subsection (2)(a). The procedure in section 563 could, however, apply to of plant and machinery indirectly. For example on a sale of plant and machinery with other property, the sale proceeds would fall to be apportioned under section 562. That apportionment could affect the tax of both the buyer and seller.
1963. *Subsection (4)* applies section 564 to cases procedures in which section 561(3) applies. This is a change because section 152B of CAA 1990 (which is the origin of section 561) contains its own apportionment arbitration rules. See *Change 63* in Annex 1.

Section 565: Tax agreements for income tax purposes

1964. This section is based on section 143 of CAA 1990. It provides that a tax agreement for income tax purposes, without assessment, treats an allowance as if given effect under an assessment.

Section 566: Companies not resident in the United Kingdom

1965. This section is based on section 149 of CAA 1990. It provides that capital allowances for companies not resident in the UK are given effect against income chargeable from the source of income to which the capital allowances are related.

Section 567: Sales treated as being for alternative amount: introductory

1966. This section is based on section 157(1)(a) of CAA 1990. It applies sections 568 to 570 and defines the tests – control and tax advantage – which decide if they can apply.
1967. *Subsection (2)* defines the “control test”. This is not a term used in this Act outside sections 567 to 570.
1968. *Subsection (3)* clarifies “body or persons” in subsection (2).
1969. *Subsection (4)* defines the “tax advantage test” for the purposes of these sections. This term is also not used elsewhere in the Act.
1970. *Subsection (5)* introduces the rule from section 152B(10) of CAA 1990 that section 157 shall not apply if section 152B applies (transfer of a UK trade, rewritten in section 561).
1971. Section 157(3) of CAA 1990 is not rewritten. This is because this section and sections 569 and 570 clearly apply to non-resident persons without an explicit statement to that effect. See *Note 73* in Annex 2.

Section 568: Sales treated as being at market value

1972. This section is based on section 157(4) of CAA 1990. It treats a sale as being at market value if either the control test or tax advantage test is met.

Section 569: Election to treat sale as being for alternative amount

1973. This section is based on section 158 of CAA 1990. It provides for an election to be made by connected persons to substitute the alternative amount for the market value of an asset given by section 568 if the control test is met but the tax advantage test is not.
1974. *Subsection (2)* makes clear this is subject to section 570 which prevents an election in some circumstances.

Section 570: Elections: supplemental

1975. This section is based on section 158 of CAA 1990. It prevents an election under section 569 in some circumstances.

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1976. *Subsection (1)* is based on section 158(5) of CAA 1990. It means an election cannot be made if the sale is a relevant sale for Part 4 (agricultural buildings).
1977. *Subsection (2)* is based on section 158(3)(a) and (b) of CAA 1990. It prevents elections if, broadly speaking, the qualifying expenditure does not stay within the United Kingdom tax net.
1978. *Subsection (3)* is based on section 158(3)(a) of CAA 1990. It defines “relevant allowance or charge” for the purposes of subsection (2). This excludes sales if an allowance or charge is not capable of being made for Parts 3, 5, 6, 9 and 10 (industrial buildings, mineral extraction, research and development, dredging, and assured tenancies).
1979. The inclusion of Part 9 (dredging) in this list may seem odd as sections 567 to 570 do not apply to Part 9. That is because in Part 9 a disposal event does not lead to a disposal value being brought into account. So substituting market value as the disposal value would have no effect.
1980. The scope of this subsection is wider. It prevents an election if, as a result of the sale, any allowances or charges in the Parts listed would no longer be made. This applies whether or not the allowance involved is the subject of the election. For example an election might (but for this section) be made in respect of an industrial building. But if, as a result of the sale, no dredging allowance would fall to be made then the election is prohibited.
1981. *Subsection (4)* is based on section 158(3)(c) of CAA 1990. It is relevant to assured tenancy allowances.

Chapter 6: Final Provisions

Overview

This Chapter deals with definitions and interpretations that apply to the whole Act.

Section 571: Application of Act to parts of assets

1982. This section is based on section 161(7) of CAA 1990. It provides that references to an asset include references to part of an asset (except if the context otherwise applies).

Section 572: References to sale of property and time of sale

1983. This section is based on section 150(4) of CAA 1990. It defines references to “sale of property” and “time of sale”.
1984. *Subsection (1)* defines “references to sale of property” to include references to exchange of property.
1985. *Subsections (2)* and *(3)* modify references to sale in subsection (1).
1986. *Subsection (4)* defines the “time” of sale for the purposes of this Act.

Section 573: Transfers treated as sales

1987. This section is based on various sections of CAA 1990. It applies to Parts 3 (industrial buildings), 4 (agricultural buildings) and 10 (assured tenancies) and treats transfers of the relevant interest as sales.

Section 574: Meaning of “control”

1988. This section is based on section 161(2) of CAA 1990. It gives the meaning of “control” for the whole of this Act.

Section 575: Connected persons

1989. This section is based on various sections of CAA 1990. It applies section 839 of ICTA to this Act.

Section 839 of ICTA (Connected persons)

- “(1) For the purposes of, and subject to, the provisions of the Tax Acts which apply this section, any question whether a person is connected with another shall be determined in accordance with the following provisions of this section (any provision that one person is connected with another being taken to mean that they are connected with one another).
- (2) A person is connected with an individual if that person is the individual’s wife or husband, or is a relative, or the wife or husband of a relative, of the individual or of the individual’s wife or husband.
- (3) A person, in his capacity as trustee of a settlement, is connected with—
- (a) any individual who in relation to the settlement is a settlor,
 - (b) any person who is connected with such an individual, and
 - (c) any body corporate which is connected with that settlement.

In this subsection “settlement” and “settlor” have the same meaning as in Chapter IA of Part XV (see section 660G(1) and (2)).

- (3A) For the purpose of subsection (3) above a body corporate is connected with a settlement if—
- (a) it is a close company (or only not a close company because it is not resident in the United Kingdom) and the participators include the trustees of the settlement; or
 - (b) it is controlled (within the meaning of section 840) by a company falling within paragraph (a) above.
- (4) Except in relation to acquisitions or disposals of partnership assets pursuant to bona fide commercial arrangements, a person is connected with any person with whom he is in partnership, and with the wife or husband or relative of any individual with whom he is in partnership.
- (5) A company is connected with another company—
- (a) if the same person has control of both, or a person has control of one and persons connected with him, or he and persons connected with him, have control of the other; or
 - (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person with whom he is connected.
- (6) A company is connected with another person if that person has control of it or if that person and persons connected with him together have control of it.
- (7) Any two or more persons acting together to secure or exercise control of a company shall be treated in relation to that company as connected with one another and with any person acting on the directions of any of them to secure or exercise control of the company.
- (8) In this section—
- “company” includes any body corporate or unincorporated association, but does not include a partnership, and this section shall apply in relation to any unit trust scheme as if the scheme were a company and as if the rights of the unit holders were shares in the company;

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“control” shall be construed in accordance with section 416; and
“relative” means brother, sister, ancestor or lineal descendant.

Section 576: Meaning of “the Inland Revenue” etc.

1990. This section includes a minor change in giving the meaning of two terms used in this Act: “the Inland Revenue” and “the Board of Inland Revenue”.
1991. The change is that the term “Inland Revenue” is used in various places in this Act where CAA 1990 refers to an “inspector”. This is in keeping with the approach taken in legislation since 1994. But the term “the Board of Inland Revenue” is kept and used if CAA 1990 requires something to be done by the Board (as in sections 554(4) and 563(4)). See *Change 64* in Annex 1.
1992. *Subsection (3)* is based on the definition of “the Board” in section 161(2) of CAA 1990.

Section 577: Other definitions

1993. This section is based in part on section 161 of CAA 1990 but contains material derived from various sources. It provides other minor definitions for the whole Act.
1994. *Subsection (1)* contains some definitions which are new in this Act. These are “property business”, “tax year” and “tax year 2001-02”.
1995. *Subsection (2)* is based on section 161(9) of CAA 1990. It contains a change because of its application to property businesses. See *Change 62* in Annex 1.
1996. Section 161(3) of CAA 1990 has not been reproduced in this section. Its effect is preserved in another way. See *Note 74* in Annex 2.
1997. *Subsection (5)* introduces Schedule 1 which is in two Parts. Part 1 is a list of abbreviations used. Part 2 is a list of where expressions are defined in the Act. There are some other expressions defined for the purposes of particular Chapters or sections which are not listed in Part 2 of Schedule 1.

Section 578: Consequential amendments

1998. This section gives effect to Schedule 2.

Section 579: Commencement and transitional provisions and savings

1999. This section provides for commencement and gives effect to Schedule 3.
2000. *Subsection (1)* provides that this Act shall have effect for income tax chargeable periods ending on or after 6 April 2001, and for corporation tax chargeable periods ending on or after 1 April 2001.
2001. This is subject to paragraph 8 of Schedule 3 to this Act. That enables taxpayers to elect to apply the “old” law if something done before 1 or 6 April 2000 (as the case may be) has a different effect in a chargeable period which straddles the commencement date because of changes made by this Act.

Section 580: Repeals

2002. This section gives effect to Schedule 4.

Section 581: Citation

2003. This section allows this Act to be cited as Capital Allowances Act 2001.