

*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 2: Plant and machinery allowances

Chapter 20: Supplementary provisions

Overview

899. This Chapter deals with partnerships and successions in the first six sections and miscellaneous plant and machinery provisions (rules for business entertaining, determination of questions about market value of property and shares in plant or machinery) in the final 3.
900. The partnerships and successions provisions in sections 263 to 268 are based on sections 65, 77 and 78 of CAA 1990.
901. The partnerships and successions provisions in sections 263 to 268 are related to provisions in Chapter 4 of Part 12, and section 343(2) of ICTA. They are also an exception to the general rule in section 15 that qualifying activities must be chargeable to tax.
902. [Sections 558](#) and [559](#) provide similar rules to sections 263 and 265 for the rest of this Act except Part 6 (research and development).
903. For company reconstructions without a change in ownership section 343(2) of ICTA can apply.
904. [Section 560](#) provides rules on the transfer of an insurance company business which affect all types of capital allowance including plant and machinery.
905. [Section 561](#) deals with transfers of a UK trade between member states. It also applies to plant and machinery and takes priority over all other succession provisions.