



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 14

FIXTURES

Introduction

172 Scope of Chapter etc.

- (1) This Chapter applies to determine entitlement to allowances under this Part in respect of expenditure on plant or machinery that is, or becomes, a fixture.
- (2) For the purposes of this Part, ownership of plant or machinery that is, or becomes, a fixture is determined under this Chapter.

[^{F1}(2A) Subsections (1) and (2) are subject to section 172A.]

- (3) The provisions of this Chapter that treat a person as being the owner of a fixture (see sections 176 to 184 and 193 to [^{F2}195B]) are subject to the provisions of this Chapter which treat a person as ceasing to be the owner of a fixture (see sections 188 to [^{F3}192A]).
- (4) References in this Chapter to a person being treated—
 - (a) as the owner of plant or machinery, or
 - (b) as ceasing to be the owner of plant or machinery,are to be read as references to the person being so treated for the purposes of this Part.
- (5) This Chapter does not affect any entitlement a person has to an allowance as a result of section 538 (contribution allowances for plant and machinery).

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

Textual Amendments

- F1** S. 172(2A) inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 8 para. 9\(1\)](#)
- F2** Word in s. 172(3) substituted (with effect as mentioned in s. 66 of the amending Act) by [Finance Act 2001 \(c. 9\)](#), s. 66, [Sch. 18 para. 1\(a\)](#)
- F3** Word in s. 172(3) substituted (with effect as mentioned in s. 66 of the amending Act) by [Finance Act 2001 \(c. 9\)](#), s. 66, [Sch. 18 para. 1\(b\)](#)

[^{F4}172A Long funding leases etc: cases where this Chapter does not apply.

- (1) This section applies where plant or machinery that is or becomes a fixture is the subject of a long funding lease (see Chapter 6A).
- (2) This section also applies if, in any such case,—
 - (a) the lessee under the long funding lease is or becomes the lessor of some or all of the plant or machinery under a further lease, and
 - (b) the further lease is not itself a long funding lease within subsection (1).
- (3) This Chapter does not apply to determine the entitlement of the lessor or the lessee (under either lease) to allowances under this Part in respect of expenditure on the plant or machinery.
- (4) This Chapter does not apply to determine whether the lessor or the lessee (under either lease) is to be treated as the owner of the plant or machinery.]

Textual Amendments

- F4** S. 172A inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 8 para. 9\(2\)](#)

173 Meaning of “fixture” and “relevant land”

- (1) In this Chapter “fixture”—
 - (a) means plant or machinery that is so installed or otherwise fixed in or to a building or other description of land as to become, in law, part of that building or other land, and
 - (b) includes any boiler or water-filled radiator installed in a building as part of a space or water heating system.
- (2) In this Chapter “relevant land”, in relation to a fixture means—
 - (a) the building or other description of land of which the fixture becomes part, or
 - (b) in the case of a boiler or water-filled radiator which is a fixture as a result of subsection (1)(b), the building in which it is installed as part of a space or water heating system.

174 Meaning of “equipment lease” and “lease”

- (1) In this Chapter “equipment lease” means—
 - (a) an agreement entered into in the circumstances given in subsection (2), or

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- (b) a lease entered into under or as a result of such an agreement.
- (2) The circumstances are that—
- (a) a person incurs capital expenditure on the provision of plant or machinery for leasing,
 - (b) an agreement is entered into for the lease, directly or indirectly from that person, of the plant or machinery to another person,
 - (c) the plant or machinery becomes a fixture, and
 - (d) the agreement is not an agreement for the plant or machinery to be leased as part of the relevant land.
- (3) In this Chapter—
- “equipment lessor” means the person from whom (directly or indirectly) the equipment lease provides for the plant or machinery to be leased, and
 - “equipment lessee” means the person to whom the equipment lease provides for the plant or machinery to be leased.
- (4) Except in the context of leasing plant or machinery, any reference in this Chapter to a lease is to—
- (a) any leasehold estate in or, in Scotland, lease of, the land (whether in the nature of a head-lease, sub-lease or under-lease), or
 - (b) any agreement to acquire such an estate or, in Scotland, lease;
- and, in relation to such an agreement, “grant” is to be read accordingly.

175 Meaning of “interest in land”, etc.

- (1) In this Chapter “interest in land” means—
- (a) the fee simple estate in the land or an agreement to acquire such an estate,
 - (b) in relation to Scotland, the interest of the owner or an agreement to acquire such an interest,
 - (c) a lease,
 - (d) an easement or servitude or an agreement to acquire an easement or servitude, and
 - (e) a licence to occupy land.
- (2) If an interest in land is—
- (a) conveyed or assigned by way of security, and
 - (b) subject to a right of redemption,
- the person with the right of redemption is treated for the purposes of this Chapter as having that interest, and not the creditor.

[^{F5}175A Meaning of “energy services agreement”

- (1) In this Chapter “energy services agreement” means an agreement entered into by an energy services provider (“the energy services provider”) and another person (“the client”) that makes provision, with a view to saving energy or using energy more efficiently, for—
- (a) the design of plant or machinery, or one or more systems incorporating plant or machinery,
 - (b) obtaining and installing the plant or machinery,

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- (c) the operation of the plant or machinery,
 - (d) the maintenance of the plant or machinery, and
 - (e) the amount of any payments in respect of the operation of the plant or machinery to be linked (wholly or in part) to energy savings or increases in energy efficiency resulting from the provision or operation of the plant or machinery.
- (2) In this Chapter “ energy services provider ” means a person carrying on a qualifying activity consisting wholly or mainly in the provision of energy management services.]

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Textual Amendments

- F5** S. 175A inserted by (with effect as mentioned in s. 66 of the amending Act) by [Finance Act 2001 \(c. 9\)](#), s. 66, [Sch. 18 para. 2](#)

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