



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

[^{F1}CHAPTER 16A

[^{F1}RESTRICTIONS ON ALLOWANCE BUYING]

[^{F1}Unallowable purpose

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](#)

212M Unallowable purpose

- (1) The qualifying change has an unallowable purpose if the main purpose, or one of the main purposes, of change arrangements is to obtain a relevant tax advantage (for any person).
- (2) “Change arrangements” means any arrangements made to bring about, or otherwise connected with, the qualifying change; and “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).
- (3) “Obtain a relevant tax advantage” means become entitled to a reduction in profits, or an increase in losses, for the purposes of corporation tax in consequence of a claim to allowances in respect of qualifying expenditure in respect of the relevant plant and machinery or qualifying expenditure within section 212K(3).]

Changes to legislation:

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