



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 17

[^{F1}OTHER ANTI-AVOIDANCE]

Relevant transactions

213 Relevant transactions: sale, hire-purchase (etc.) and assignment

- (1) For the purposes of this Chapter, a person (“B”) [^{F1}and another person (“S”) enter into a relevant transaction] if—
- (a) S sells plant or machinery to B,
 - (b) B enters into a contract with S providing that B shall or may become the owner of plant or machinery on the performance of the contract, or
 - (c) S assigns to B the benefit of a contract providing that S shall or may become the owner of plant or machinery on the performance of the contract.
- (2) For the purposes of this Chapter, references to B’s expenditure under a relevant transaction are references—
- (a) in the case of a sale within subsection (1)(a), to B’s capital expenditure on the provision of the plant or machinery by purchase,
 - (b) in the case of a contract within subsection (1)(b), to B’s capital expenditure under the contract so far as it relates to the plant or machinery, or
 - (c) in the case of an assignment within subsection (1)(c), to B’s capital expenditure under the contract so far as it relates to the plant or machinery or is by way of consideration for the assignment.
- (3) If—

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

- (a) B is treated under section 14 (use for qualifying activity of plant or machinery which is a gift) as having incurred capital expenditure on the provision of plant or machinery, and
- (b) the donor of the plant or machinery was S,

B is to be treated for the purposes of this Chapter as having incurred capital expenditure on the provision of the plant or machinery by purchasing it from S.

[^{F2}(4) For the purposes of this Chapter, references to the disposal value of the plant or machinery under a relevant transaction are references to the disposal value that is to be brought into account by S as a result of the sale, contract or assignment in question.]

Textual Amendments

- F1** Words in s. 213(1) substituted (with effect in accordance with s. 70(11) of the amending Act) by Finance Act 2016 (c. 24), s. 70(3)
- F2** S. 213(4) inserted (with effect in accordance with s. 70(11) of the amending Act) by Finance Act 2016 (c. 24), s. 70(4)

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