



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

[^{F1}CHAPTER 16A

[^{F1}RESTRICTIONS ON ALLOWANCE BUYING]

Qualifying change

[^{F1}212G Qualifying 75% subsidiaries

- (1) For the purposes of sections 212E and 212F a company (“the subsidiary company”) is a qualifying 75% subsidiary of another company (“the parent company”) if condition 1 or 2 is met and condition 3 is met.
- (2) Condition 1 is that—
 - (a) the subsidiary company has ordinary share capital, and
 - (b) the subsidiary company is a 75% subsidiary of the parent company (see section 1154(3) of CTA 2010).
- (3) Condition 2 is that—
 - (a) the subsidiary company does not have ordinary share capital, and
 - (b) the parent company has control of the subsidiary company.
- (4) Condition 3 is that the parent company—
 - (a) is beneficially entitled to at least 75% of any profits available for distribution to equity holders of the subsidiary company, and
 - (b) would be beneficially entitled to at least 75% of any assets of the subsidiary company available for distribution to its equity holders on a winding-up.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 212G. (See end of Document for details)

- (5) Chapter 6 of Part 5 of CTA 2010 (equity holders and profits or assets available for distribution) applies for the purposes of subsection (4) as that Chapter applies for the purposes of section 151(4)(a) and (b) of that Act (meaning of “75% subsidiary”).
- (6) But in a case where the subsidiary company does not have ordinary share capital, Chapter 6 of Part 5 of that Act applies for those purposes as if the members of that company were equity holders of that company for the purposes of that Chapter.]

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](#)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 212G.