



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### CHAPTER 17

#### [<sup>F1</sup>OTHER ANTI-AVOIDANCE]

*[<sup>F1</sup>Finance leaseback: parties' income and profits*

#### [<sup>F1</sup>[<sup>F2</sup>228Application of sections 228B and 228C

- (1) Sections 228B and 228C apply where plant or machinery is the subject of a lease and finance leaseback.
- (2) Plant or machinery is the subject of a lease and finance leaseback if—
  - (a) a person (“S”) leases the plant or machinery to another (“B”),
  - (b) after the date of that transaction, the use of the plant or machinery falls within sub-paragraph (i), (ii) or (iii) of section 221(1)(b), and
  - (c) it is directly as a consequence of having been leased under a finance lease that the plant or machinery is available to be so used after that date.
- (3) For the purposes of subsection (2), S leases the plant or machinery to B only if—
  - (a) S grants B rights over the plant or machinery,
  - (b) consideration is given for that grant, and
  - (c) S is not required to bring all of that consideration into account under this Part.]]

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 228A. (See end of Document for details)

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### Textual Amendments

- F1** Ss. 228A-228J and cross-heading inserted (with effect in accordance with s. 134(3) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **s. 134**
- F2** S. 228A substituted (with effect in accordance with Sch. 20 para. 12(12) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 20 para. 12(2)**

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 228A.