



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

### CHAPTER 5

#### ALLOWANCES AND CHARGES

#### *[<sup>F1</sup>Annual investment allowance*

#### **[<sup>F1</sup>51D Third restriction: groups of companies under common control**

- (1) Where in a financial year two or more groups of companies are—
  - (a) controlled by the same person (see section 51F), and
  - (b) related to one another (see section 51G),this section applies in relation to the companies which are members of those groups.
- (2) The companies are entitled to a single annual investment allowance between them in respect of the relevant AIA qualifying expenditure.
- (3) The companies may allocate the annual investment allowance to the relevant AIA qualifying expenditure as they think fit.
- (4) The relevant AIA qualifying expenditure is the AIA qualifying expenditure incurred by the companies in chargeable periods ending in the financial year mentioned in subsection (1).
- (5) In this section and in sections 51F and 51G, a group of companies means—
  - (a) a company which, in the financial year mentioned in subsection (1), is a parent undertaking of one or more other companies, and
  - (b) those other companies,

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*Changes to legislation:* There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 51D. (See end of Document for details)

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(and the members of the group are the company which is the parent undertaking and those other companies).

- (6) A company (“P”) is a parent undertaking of another company (“C”) in a financial year if P is a parent undertaking of C at the end of C's chargeable period ending in that financial year.
- (7) In this section “parent undertaking” has the same meaning as in section 1162 of the Companies Act 2006.]

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**Textual Amendments**

- F1** Ss. 51A-51N and cross-heading inserted (with effect in accordance with Sch. 24 para. 23 to the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 24 para. 3**
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**Modifications etc. (not altering text)**

- C1** [Pt. 2](#) modified (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), **s. 7**

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 51D.