



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 5

ALLOWANCES AND CHARGES

[^{F1}Annual investment allowance

[^{F1}51G Companies and groups: meaning of “related”

- (1) A company (“C1”) is related to another company (“C2”) in a financial year if one or both of—
 - (a) the shared premises condition, and
 - (b) the similar activities condition,are met in relation to the companies in that financial year.
- (2) Where C1 is related to C2 in a financial year, C1 is also related to any other company to which C2 is related in that financial year.
- (3) A group of companies (“G1”) is related to another group of companies (“G2”) in a financial year if in that financial year a company which is a member of G1 is related to a company which is a member of G2.
- (4) Where G1 is related to G2 in a financial year, G1 is also related to any other group of companies to which G2 is related in that financial year.
- (5) The shared premises condition is met in relation to two companies in a financial year if, at the end of the relevant chargeable period of one or both of the companies, the companies carry on qualifying activities from the same premises.

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

- (6) The similar activities condition is met in relation to two companies in a financial year if—
- (a) more than 50% of the turnover of one company for the relevant chargeable period is derived from qualifying activities within a particular NACE classification, and
 - (b) more than 50% of the turnover of the other company for the relevant chargeable period is derived from qualifying activities within that NACE classification.

- (7) In this section—

“NACE classification” means the first level of the common statistical classification of economic activities in the European Union established by Regulation (EC) No 1893/2006 of the European Parliament and the Council of 20 December 2006 (as that Regulation has effect [^{F2}in EU law]), and

“relevant chargeable period”, in relation to a company and a financial year, means the chargeable period of the company ending in that financial year.]

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**
- F2** Words in s. 51G(7) substituted (31.12.2020) by [The Taxes \(Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/689\)](#), regs. 1, **10(2)** (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)
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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 51G.