



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

[^{F1}CHAPTER 6A

INTERPRETATION OF PROVISIONS ABOUT LONG FUNDING LEASES

The tests for being a funding lease

[^{F1}70N The finance lease test

- (1) A lease meets the finance lease test in the case of any person if the lease is one which, under generally accepted accounting practice, falls (or would fall) to be treated as a finance lease or a loan in the accounts—
 - (a) of that person, or
 - (b) where that person is the lessor, of any person connected with him.
- (2) In this section “accounts”, in relation to a company, includes any accounts which—
 - (a) relate to two or more companies of which that company is one, and
 - (b) are drawn up in accordance with generally accepted accounting practice.
- (3) Where for any period—
 - (a) a person is not within the charge to income tax or corporation tax by reason of not being resident in the United Kingdom, and
 - (b) accounts are not prepared in accordance with international accounting standards or UK generally accepted accounting practice,

any question relating to generally accepted accounting practice is to be determined for the purposes of this section by reference to generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards.]

Changes to legislation: *There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 70N. (See end of Document for details)*

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Textual Amendments

- F1** Pt. 2 Ch. 6A inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 8 para. 7**

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