
Changes to legislation: Finance Act 2009, Cross Heading: Disposal values: commencement of long funding finance leases is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 32

LEASES OF PLANT OR MACHINERY

Disposal values: commencement of long funding finance leases

- 1 (1) Section 61 of CAA 2001 (disposal events and disposal values) is amended as follows.
(2) In the Table in subsection (2), for item 5A substitute—

“5A. Commencement of the term of a long funding finance lease of the plant or machinery.	The greater of— (a) the market value of the plant or machinery at the commencement of the term of the lease, and (b) the qualifying lease payments.”
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- (3) After subsection (5) insert—
- “(5A) In item 5A of the Table “qualifying lease payments” means the minimum payments under the lease (including any initial payment), excluding the following—
- (a) so much of any payment as, under generally accepted accounting practice, falls (or would fall) to be treated as the gross return on investment in respect of the lease,
 - (b) so much of any payment as represents charges for services, and
 - (c) so much of any payment as represents qualifying UK or foreign tax (within the meaning of section 70YE) to be paid by the lessor.”
- (4) Omit subsections (6) to (9).
- 2 Accordingly, in FA 2008, in Schedule 20, omit paragraph 4.
- 3 (1) Section 25A of TCGA 1992 (long funding leases of plant or machinery: deemed disposals) is amended as follows.
- (2) In subsection (2)(a), for “the value described in subsection (4)(a) or (b)” substitute “the relevant disposal value”.
- (3) For subsections (4) to (4D) substitute—
- “(4) “Relevant disposal value” means—
- (a) in relation to a long funding finance lease, the disposal value described in item 5A of the table in section 61(2) of the Capital Allowances Act (disposal values), and
 - (b) in relation to a long funding operating lease, the disposal value described in item 5B of that table.”
- (4) In subsection (5), omit ““market value”,”.

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- 4 Accordingly, in FA 2008, in Schedule 20, omit paragraph 5.
- 5 (1) The amendments made by paragraphs 1 and 2 have effect in relation to leases whose inception is on or after 13 November 2008.
- (2) The amendments made by paragraphs 3 and 4 have effect in relation to leases whose inception is on or after 22 April 2009.

Changes to legislation:

Finance Act 2009, Cross Heading: Disposal values: commencement of long funding finance leases is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 102(4)(za) inserted by [2010 c. 33 Sch. 9 para. 3\(3\)](#)
- Sch. 53 para. 2A-2D and cross-heading inserted by [2010 c. 33 Sch. 9 para. 7](#)
- Sch. 53 para. 6A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 8](#)
- Sch. 53 para. 11A11B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 17](#)
- Sch. 53 para. 14A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 18](#)
- Sch. 54 para. 9B9C and cross-heading inserted by [2010 c. 33 Sch. 9 para. 11](#) (Sch. 54 para. 9B is amended before it comes into force by [2016 c. 24, Sch. 1 para. 66\(5\)](#))
- Sch. 54 para. 12A12B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 19](#)
- Sch. 54 Pt. A1 inserted by [2010 c. 33 Sch. 9 para. 10](#) (Sch. 9 para. 10 is amended before it comes into force by [2017 c. 32, Sch. 4 para. 182](#))
- Sch. 55 para. 6(3A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(2\)\(a\)](#)
- Sch. 55 para. 6(4A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(3\)\(a\)](#)
- Sch. 55 para. 17(4)(ba) inserted by [2015 c. 11 Sch. 20 para. 19](#)