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SCHEDULES

SCHEDULE 32

LEASES OF PLANT OR MACHINERY

Transfer followed by hire-purchase etc: restrictions on hirer's allowances

- 18 In section 51A(10) of CAA 2001 (annual investment allowances), after “218A” insert “, 229A(2)”.
- 19 In section 52(5) of CAA 2001 (first-year allowances), after “217” insert “, 229A(2)”.
- 20 In section 57(3) of CAA 2001 (available qualifying expenditure), after “228(2)” insert “, 229A”.
- 21 In CAA 2001, after section 229 insert—

“229A Transfer followed by hire-purchase etc: restrictions on hirer's allowances

- (1) This section applies where—
- a person (“S”) transfers plant or machinery to another person (“B”),
 - at any time after the date of the transfer, the plant or machinery is available to be used by S, or a person (other than B) who is connected with S (“CS”),
 - it is available to be so used under a contract which provides that S or CS is to or may become the owner of the plant or machinery on the performance of the contract, and
 - S or CS incurs capital expenditure on the provision of the plant or machinery under that contract.
- (2) No annual investment allowance or first-year allowance is to be made in respect of the expenditure of S or CS under the contract.
- (3) The amount, if any, by which E exceeds D is to be left out of account in determining the available qualifying expenditure of S or CS.
- (4) E is the capital expenditure of S or CS on the provision of the plant or machinery under the contract referred to in subsection (1)(c).
- (5) If S is required to bring a disposal value into account under this Part because of the transfer referred to in subsection (1)(a), D is that disposal value.
- (6) Otherwise, D is whichever of the following is the smallest—
- the market value of the plant or machinery;
 - if S incurred capital expenditure on the provision of the plant or machinery before the transfer referred to in subsection (1)(a), the amount of that expenditure;

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(c) if a person connected with S incurred capital expenditure on the provision of the plant or machinery before that transfer, the amount of that expenditure.

(7) Sections 214 and 215 do not apply in relation to the contract referred to in subsection (1)(c).

(8) Section 70Y(3) applies to references in this section to a transfer of plant or machinery by a person.

(9) For the purposes of this section a transfer involving the grant of a lease takes place on the commencement of the term of the lease.”

22 The amendments made by paragraphs 18 to 21 have effect in relation to cases where the contract referred to in subsection (1)(c) of section 229A of CAA 2001 is entered into on or after 13 November 2008.

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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](#)
- Sch. 56 para. 3(1)(d) omitted by [2021 c. 26 Sch. 27 para. 40\(4\)\(c\)](#)