



Corporation Tax Act 2010

2010 CHAPTER 4

PART 21

LEASING ARRANGEMENTS: FINANCE LEASES AND LOANS

CHAPTER 2

FINANCE LEASES WITH RETURN IN CAPITAL FORM

Introduction

899 Arrangements to which this Chapter applies

- (1) This Chapter applies to arrangements involving the lease of an asset that meet conditions A and B.
- (2) Condition A is that in accordance with generally accepted accounting practice the arrangements fall to be treated as a finance lease or loan.
- (3) Condition B is that the effect of the arrangements is that some or all of the return on investment in respect of the finance lease or loan—
 - (a) is or may be in the form of a sum that is not rent, and
 - (b) would not, apart from this Part and Part 11A of ITA 2007, be wholly brought into account for tax purposes as rent from the lease of the asset.
- (4) It does not matter—
 - (a) when the arrangements are or have been entered into, or
 - (b) whether they are or have been entered into by companies or other persons.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 899.