
STATUTORY INSTRUMENTS

2007 No. 304

The Long Funding Leases (Elections) Regulations 2007

Eligible leases

3. An eligible lease is one which meets the following conditions.

Condition A

The lease is a plant or machinery lease.

Condition B

The lease is not, apart from the provisions of these Regulations, a long funding lease.

Condition C

The lease was finalised, as defined in paragraph 23 of Schedule 8 of the Finance Act 2006, on or after 1 April 2006.

Condition D

The term of the lease is 12 months or more.

Condition E

The plant or machinery made available under the lease —

- (a) was unused and not second-hand at the commencement of the term of the lease;
- (b) if leased previously, was last leased under a long funding lease (under the provisions of Part 2 of CAA or pursuant to these Regulations) before the commencement of the term of the lease;
- (c) was the subject of a valid election under section 227 of CAA before the electing lessor made a return for the period in which the commencement of the term of the lease occurred; or
- (d) replaces (whether by one or more substitutions) plant or machinery of the same type and quantity previously made available by the electing lessor to the lessee under a lease which is an eligible lease by virtue of one of the preceding paragraphs of this condition.

Condition F

The lease is not a lease for the provision of a car as defined in section 81 of CAA.

Condition G

The lease does not provide for the leasing of any asset whose market value is more than £10 million at its commencement.

Condition H

The lease is not one to which section 70R or section 70U of CAA applies.

Condition I

If the original lessor's interest under the lease has been assigned—

- (a) the assignment, or where there is more than one assignment, both or all of them, must have occurred within 4 months of the commencement of the term of the lease; and

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- (b) the original lessor, and any person later owning the leased assets and through whom the lessor making the long funding lease election derives title to them, must not claim, or have claimed, capital allowances at any time in respect of those assets.