HMRC - OT21083 - Sale And Leaseback Of Assets

CTA10\S288

CTA10\S288 provides that where a sale and leaseback transaction has occurred, the finance charge element of lease rentals will not be allowable as a deduction in the CT ring fence unless the proceeds from the sale of the asset are applied to finance North Sea activities.

Expenditure disallowed is treated as a non-trading debit in respect of a loan relationship of the lessee for that accounting period and is therefore deductible for non-ring fence CT purposes.

Previous page

Next page