
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Cross Heading: Pre-existing heads of agreement relating to two or more assets. (See end of Document for details)

SCHEDULES

SCHEDULE 8

LONG FUNDING LEASES OF PLANT OR MACHINERY

PART 4

COMMENCEMENT AND TRANSITIONAL PROVISIONS

Pre-existing heads of agreement relating to two or more assets

- 20 (1) This paragraph has effect for the purposes of this Part in any case where the pre-existing heads of agreement relates to two or more assets.
- (2) The treatment of any of the assets varies according to whether the asset—
- (a) is for use individually (see sub-paragraph (3)), or
 - (b) is a constituent asset of a combined asset (see sub-paragraph (4)).
- (3) Where any of the assets is for use individually, this Part has effect in relation to that asset separately, as if it were the subject of—
- (a) its own separate pre-existing heads of agreement, and
 - (b) if there is a finalised lease, its own separate finalised lease.
- See sub-paragraph (5) for the method of determining the terms.
- (4) Where any of the assets are constituent assets of a combined asset—
- (a) the combined asset is to be regarded as a single asset, and
 - (b) the constituent assets are to be regarded as if they were instead component parts of that single asset,
- and sub-paragraph (3) applies accordingly.
- (5) For the purposes of sub-paragraph (3), the principles in sections 70L and 70M of CAA 2001 are to be applied, with any necessary modifications, for the purpose of determining the terms of—
- (a) the deemed separate pre-existing heads of agreement, and
 - (b) the deemed separate finalised lease (if any).

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