
1 Finance leasebacks: right-of-use leases

- (1) In section 228G of CAA 2001 (leaseback not accounted for as finance lease in S's accounts), in subsection (7) –
 - (a) for paragraph (a) substitute –
 - “(a) the leaseback –
 - (i) falls, under generally accepted accounting practice, to be treated in that person's accounts as a finance lease or loan, or
 - (ii) if the leaseback is a right-of-use lease under which the person is a lessee, would fall to be treated in that person's accounts as a finance lease were that person required under generally accepted accounting practice to determine whether the lease falls to be so treated, or”;
 - (b) in paragraph (b), for the words from “fall” to the end substitute “ –
 - (i) fall, under generally accepted accounting practice, to be treated in that person's accounts as a finance lease or loan, or
 - (ii) if the leaseback is a right-of-use lease under which the person is a lessee, would fall to be treated in that person's accounts as a finance lease were that person required under generally accepted accounting practice to determine whether the arrangements fall to be so treated.”
- (2) The amendments made by subsection (1) have effect in relation to periods of account beginning on or after 28 October 2026.
- (3) For the purposes of subsection (2), a period of account beginning before and ending on or after 28 October 2026 is to be treated as if so much of the period as falls before that date, and so much of the period as falls on or after that date, were separate periods of account.