



The Rt Hon Jeremy Hunt MP  
 Chancellor of the Exchequer  
 HM Treasury  
 1 Horse Guards Road  
 London  
 SW1A 2HQ

1 November 2023

Dear Chancellor,

**Inclusion of Leasing in Full Expensing**

At the Spring 2023 Budget, you announced the introduction of full expensing, allowing companies to claim 100% capital allowances on qualifying plant and machinery investment until March 2026. We warmly welcomed this initiative, although we noted that leased or hired assets were excluded from the policy, despite this being two of the most common ways businesses - especially SMEs - acquire new assets.

Since then, we have been working intensively with HM Treasury and HMRC to explore how full expensing could be opened to leasing and rental. We have welcomed the opportunity to engage with HM Treasury and HMRC and to share our members' views.

We look forward to identifying a mutually agreeable policy solution which would unlock full expensing for leased or rented assets as soon as is practicable. This would further support business investment in an era of significant inflationary pressures which might otherwise lead to businesses delaying the decision to acquire new plant or machinery.

Ahead of the Autumn Statement, we would also urge you to move the full expensing policy on to a permanent basis (including leasing). Removing the March 2026 deadline would create certainty and allow businesses to make longer term plans for their plant and machinery investment without facing a "cliff edge". It would ensure that UK business could continue to benefit from one of the world's most competitive and dynamic capital allowances regimes.

Yours sincerely,

**Stephen Hadrill**  
 Director General,  
 Finance & Leasing Association

**Gerry Keane**  
 Chief Executive  
 BVRLA

**Alasdair Reisner**  
 Chief Executive,  
 CECA

**Ian Cass**  
 Managing Director  
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**David Wells**  
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**James Selka**  
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**Glenn Collins**  
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**Jack Semple**  
 Secretary  
 EAMA

**Kate Nicholls OBE**  
 CEO  
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