

Changes to legislation: Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Cross Heading: Land sold to financial institution and re-sold to a person is up to date with all changes known to be in force on or before 12 September 2019. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULE 10

ALTERNATIVE PROPERTY FINANCE RELIEFS

PART 2

THE RELIEFS

Land sold to financial institution and re-sold to a person

- 3 (1) This paragraph applies where arrangements are entered into between a person (“P”) and a financial institution under which—
- (a) the institution—
 - (i) purchases a major interest in land (“the first transaction”), and
 - (ii) sells that interest to P (“the second transaction”), and
 - (b) P grants the institution a legal mortgage (as defined in section 205(1)(xvi) of the Law of Property Act 1925 (c. 20)) over that interest.
- (2) The first transaction is relieved from tax if the seller is—
- (a) P, or
 - (b) another financial institution by whom the interest was acquired under other arrangements of the kind mentioned in paragraph 2(1) entered into between it and P.
- (3) The second transaction is relieved from tax if the financial institution complies with the provisions of this Act and TCMA relating to the first transaction and, where that includes a requirement to pay tax chargeable on the first transaction, the tax so chargeable must be based on chargeable consideration that is not less than the market value of the interest and, in the case of the grant of a lease at a rent, the market rent.
- (4) For the purposes of sub-paragraph (3), the market rent of a lease at any time is the rent which the lease might reasonably be expected to fetch at that time in the open market.

Commencement Information

II Sch. 10 para. 3 in force at 1.4.2018 by S.I. 2018/34, art. 3

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 18 para. 1(aa) inserted by [S.I. 2019/833 reg. 3\(2\)](#)
- Sch. 18 para. 2A-2D inserted by [S.I. 2019/833 reg. 3\(4\)](#)