

SCHEDULE 10

ALTERNATIVE PROPERTY FINANCE RELIEFS

PART 4

EXEMPT INTEREST

Interest held by financial institution an exempt interest

- 7 (1) An interest held by a financial institution as a result of the first transaction within the meaning of paragraph 2(1)(a) is an exempt interest (but see the following).
- (2) The interest ceases to be an exempt interest if—
- (a) the lease mentioned in paragraph 2(1)(c) ceases to have effect, or
 - (b) the right under paragraph 2(1)(d) ceases to have effect or becomes subject to a restriction.
- (3) The interest is not an exempt interest if group relief, acquisition relief or reconstruction relief is available on the first transaction (even if such a relief is subsequently withdrawn).
- (4) Despite sub-paragraph (1), the interest is not an exempt interest in respect of—
- (a) the first transaction itself, or
 - (b) a further transaction within the meaning of paragraph 2(4).