

## SCHEDULE 18

### CHARITIES RELIEF

#### *Withdrawal of partial relief*

- 7 (1) This paragraph applies where—
- (a) a land transaction is relieved from tax under paragraph 6 (“the relieved transaction”),
  - (b) a disqualifying event occurs in relation to a charity (“C”) which was the buyer under the relieved transaction, and
  - (c) the disqualifying event occurs in the circumstances required by sub-paragraphs (3) and (4).
- (2) Where this paragraph applies, C’s portion of the relief, or an appropriate proportion of C’s portion of that relief, is withdrawn and tax is chargeable in accordance with this paragraph (see sub-paragraph (5)).
- (3) The disqualifying event must occur—
- (a) before the end of the period of 3 years beginning with the effective date of the relieved transaction, or
  - (b) in pursuance of, or in connection with, arrangements made before the end of that period.
- (4) At the time of the disqualifying event, C must hold a chargeable interest that—
- (a) was acquired by C under the relieved transaction, or
  - (b) is derived from an interest so acquired.
- (5) The amount chargeable is equal to C’s portion of the relief or, as the case may be, the appropriate proportion of C’s portion of the relief.
- (6) C’s portion of the relief depends on whether P1 or P2 was lower in the calculation under paragraph 6.

- (7) If P1 was lower, C’s portion of the relief is equal to—

$$\frac{P1}{P1} \times R$$

Figure 14

where—

p1 is the proportion of the subject-matter of the transaction that was acquired by C under the transaction;

P1 has the same meaning as in paragraph 6(4);

R is the amount of the relief.

- (8) If P2 was lower, C’s portion of the relief is equal to—

$$\frac{P2}{P2} \times R$$

Figure 15

where—

---

*Status: This is the original version (as it was originally enacted).*

---

p2 is the proportion of chargeable consideration for the transaction that was given by C;

P2 has the same meaning as in paragraph 6(4);

R is the amount of the relief.

(9) In this paragraph, “appropriate proportion” means an appropriate proportion having regard to—

- (a) what was acquired by C under the relieved transaction and what is held by C at the time of the disqualifying event, and
- (b) the extent to which what is held by C at that time is or becomes used or held for purposes other than qualifying charitable purposes.