

## SCHEDULE 2

### PRE-COMPLETION TRANSACTIONS

#### PART 1

##### INTRODUCTION AND KEY CONCEPTS

###### *Overview*

- 1 (1) This Schedule makes provision about the application of this Act (in particular section 10 (contract and transfer)) to pre-completion transactions (the meaning of which is set out in paragraph 3).
- (2) The Schedule is arranged as follows—
  - (a) this Part makes introductory provisions setting out the circumstances where this Schedule applies (paragraph 2) and explaining the meaning of “pre-completion transaction” and other key terms referred to in the Schedule;
  - (b) Part 2 sets out how this Act applies in cases where the pre-completion transaction is an assignment of rights (the meaning of which is set out in paragraph 6);
  - (c) Part 3 sets out how this Act applies in cases involving free-standing transfers (the meaning of which is set out in paragraph 12);
  - (d) Part 4 provides for a special rule (“the minimum consideration rule”) which applies to determine the consideration given in cases where the parties in relation to a pre-completion transaction are connected or are otherwise not acting at arm’s length;
  - (e) Part 5 provides for relief to be available to certain buyers in cases where certain pre-completion transactions are entered into;
  - (f) Part 6 makes some general interpretative provisions.