

SCHEDULE 9

(as introduced by section 30(1))

SALE AND LEASEBACK RELIEF

The relief

- 1 The leaseback element of a sale and leaseback arrangement is relieved from tax if the qualifying conditions are met.

Sale and leaseback arrangements

- 2 A sale and leaseback arrangement is an arrangement under which—
- (a) a person (“A”) transfers or grants to another person (“B”) a major interest in land (the “sale”), and
 - (b) out of that interest B grants a lease to A (the “leaseback”).

Qualifying conditions

- 3 (1) The qualifying conditions are—
- (a) that the sale transaction is entered into wholly or partly in consideration of the leaseback transaction being entered into,
 - (b) that the only other consideration (if any) for the sale is the payment of money (whether in sterling or another currency) or the assumption, satisfaction or release of a debt (or both),
 - (c) that the sale is not a transfer of rights within the meaning of section 12 (contract providing for transfer to third party: effect of transfer of rights) or a pre-completion transaction within the meaning of Schedule 2 (pre-completion transactions), and
 - (d) where A and B are both bodies corporate at the effective date of the leaseback transaction, that they are not members of the same group for the purposes of group relief (see Schedule 16) at that date.
- (2) In sub-paragraph (1)(b), “debt” means an obligation, whether certain or contingent, to pay a sum of money either immediately or at a future date.