

SCHEDULE 3

(introduced by section 27)

SALE AND LEASEBACK RELIEF

The relief

- 1 The leaseback element of a sale and leaseback arrangement is exempt from charge 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 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), and
 - (c) 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 10) at that date.

Interpretation

- 4 In this schedule, “debt” has the same meaning as in paragraph 6(4) of schedule 1.