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## SCHEDULES

### SCHEDULE 14

#### CAPITAL TRANSFER TAX RELIEF FOR AGRICULTURAL PROPERTY

##### *Shares and securities of companies*

- 9 (1) Where the whole or part of the value transferred is attributable to the value of shares in or securities of a company it shall be taken for the purposes of this Schedule to be attributable (so far as appropriate) to the agricultural value of agricultural property if and only if—
- (a) the agricultural property forms part of the company's assets and part of the value of the shares or securities can be attributed to the agricultural value of the agricultural property ; and
  - (b) the shares or securities gave the transferor control of the company immediately before the transfer.
- (2) Shares or securities shall not be regarded for the purposes of sub-paragraph (1)(b) above as giving the transferor control of a company if—
- (a) they would not have been sufficient, without other property, to give him control of the company immediately before the transfer ; and
  - (b) their value is taken by virtue of paragraph 9A of Schedule 10 to the Finance Act 1975 to be less than the value previously determined.
- 10 Where paragraph 9 above applies, the references in paragraph 2(2)(a) and (3)(b) above to the transferor's interest shall be construed as references to the company's interest and paragraph 11 below shall apply instead of paragraph 3 above.
- 11 Subject to the following provisions of this Schedule, paragraph 2 does not apply by virtue of paragraph 9 above unless—
- (a) the agricultural property—
    - (i) was occupied by the company for the purposes of agriculture throughout the period of two years ending with the date of the transfer ; or
    - (ii) was owned by the company throughout the period of seven years ending with that date and was throughout that period occupied (by the company or another) for the purposes of agriculture ; and
  - (b) the shares or securities were owned by the transferor—
    - (i) in a case within paragraph (a)(i) above, throughout the period there mentioned ;
    - (ii) in a case within paragraph (a)(ii) above, throughout the period there mentioned.
- 12 (1) Sub-paragraphs (1) and (2) of paragraph 4 above shall apply in relation to the conditions stated in paragraph 11 (a) above as they apply in relation to the conditions stated in paragraph 3 above, taking references to the transferor as references to the company.

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- (2) Where the shares or securities owned by the transferor on the date of the transfer replaced other eligible property (that is to say, agricultural property or shares or securities the value of which is wholly or partly attributable to the value of such property) the condition stated in paragraph 11(b) above shall be treated as satisfied if the shares or securities, the other eligible property which they replaced and any eligible property directly or indirectly replaced by the other eligible property were owned by the transferor for periods which together comprised, in a case within paragraph 11(a)(i) above, at least two years falling within the five years ending with that date or, in a case within paragraph 11(a)(ii) above, at least seven years falling within the ten years ending with that date.
- (3) Sub-paragraphs (3) and (4) of paragraph 4 above shall have effect in relation to a case falling within the foregoing provisions of this paragraph as they have effect in relation to a case falling within sub-paragraphs (1) and (2) of that paragraph.
- 13 For the purposes of paragraph 11 above, a company shall be treated as having occupied the agricultural property at any time when it was occupied by a person who subsequently controls the company.