

SCHEDULES

SCHEDULE 7

TRANSFER SCHEMES: TAX

Agreements

- 20 (1) Sub-paragraph (2) applies if the effect of—
- (a) an agreement made under paragraph 9 or 11 of Schedule 6,
 - (b) an instrument executed under paragraph 9 of Schedule 6, or
 - (c) an agreement treated as made under paragraph 10 of Schedule 6,
- is to modify the effect of a transfer scheme.
- (2) This Schedule, the 1988 Act, the 1990 Act and the 1992 Act are to have effect as if—
- (a) the scheme had been made as modified, and
 - (b) anything done by or in relation to the preceding holder had (so far as relating to the property, rights or liabilities affected by the modification) been done by or in relation to the subsequent holder.
- (3) Sub-paragraph (4) applies to a disposal of an asset if the disposal—
- (a) is effected in pursuance of an agreement made or treated as made under paragraph 9 or 10 of Schedule 6 or is effected by an instrument executed under paragraph 9 of that Schedule, and
 - (b) is the grant of a lease of land or the creation of other rights and liabilities over land.
- (4) For the purposes of the 1992 Act the disposal is to be taken (in relation to the person to whom it is made as well as the person making it) to be for a consideration such that no gain or loss accrues to the person making it.
- (5) Section 171(1) of the 1992 Act (provision in relation to disposal of assets from one member of a group of companies to another member of the group) does not apply if sub-paragraph (4) applies to the disposal in question.
- (6) References in this paragraph to an agreement or instrument include references to the agreement or instrument as varied in accordance with a direction under paragraph 19(4) of Schedule 6.
- (7) For the purposes of sub-paragraph (2) the preceding holder is the person who without the modification—
- (a) became (under the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification, or
 - (b) remained (despite the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification,
- as the case may be.

Status: This is the original version (as it was originally enacted).

- (8) For the purposes of sub-paragraph (2) the subsequent holder is the person who (in consequence of the modification) becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.