
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 3. (See end of Document for details)

SCHEDULES

SCHEDULE 3

ENTREPRENEURS' RELIEF

PART 1

REDUCTION IN LIFETIME LIMIT

Anti-forestalling: unconditional contracts

- 3 (1) This paragraph applies where an asset is conveyed or transferred on or after 11 March 2020 under a contract made before that date that is not conditional.
- (2) Despite section 28(1) of TCGA 1992 (disposal under unconditional contract made at time of contract and not at time of later conveyance or transfer), the disposal is to be treated for the purposes of paragraph 2 as taking place at the time the asset is conveyed or transferred, and not at the time the contract is made, unless the condition in sub-paragraph (3) or (4) is met.
- (3) The condition in this sub-paragraph is that—
- (a) the parties to the contract are not connected persons,
 - (b) no purpose of entering into the contract was obtaining an advantage by reason of the application of section 28(1) of TCGA 1992, and
 - (c) the person making the conveyance or transfer makes a claim which includes a statement that the condition in paragraph (b) is met.
- (4) The condition in this sub-paragraph is that—
- (a) the parties to the contract are connected persons,
 - (b) the contract was entered into wholly for commercial reasons,
 - (c) no purpose of entering into the contract was obtaining an advantage by reason of the application of section 28(1) of TCGA 1992, and
 - (d) the person making the conveyance or transfer makes a claim which includes a statement that the conditions in paragraphs (b) and (c) are met.
- (5) Section 169M(2) and (3) of TCGA 1992 apply to a claim under sub-paragraph (3) (c) or (4)(d) as if it were a claim under that section.

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