

SCHEDULE 16

GROUP RELIEF

PART 4

WITHDRAWAL OF RELIEF

Cases in which group relief not withdrawn

- 9 (1) Group relief is not withdrawn under paragraph 8 in the following cases.
- (2) The first case is where the buyer ceases to be a member of the same group as the seller by reason of—
- (a) anything done for the purposes of, or in the course of, winding up the seller or another company that is above the seller in the group structure, or
 - (b) the seller or another company that is above the seller in the group structure otherwise ceasing to exist.
- (3) For the purposes of sub-paragraph (2), a company is “above” the seller in the group structure if the seller, or another company that is above the seller in the group structure, is a 75% subsidiary of the company.
- (4) The second case is where—
- (a) the buyer ceases to be a member of the same group as the seller as a result of an acquisition of shares by another company (“the acquiring company”) in relation to which—
 - (i) section 75 of the [Finance Act 1986 \(c. 41\)](#) applies (stamp duty: acquisition relief), and
 - (ii) the conditions for relief under that section are met, and
 - (b) the buyer is immediately after that acquisition a member of the same group as the acquiring company.
- (5) But in a case within sub-paragraph (4), sub-paragraph (6) applies if—
- (a) the buyer ceases to be a member of the same group as the acquiring company—
 - (i) before the end of the period of 3 years beginning with the effective date of the relieved transaction, or
 - (ii) in pursuance of, or in connection with, arrangements made before the end of that period, and
 - (b) at the time the buyer ceases to be a member of the same group as the acquiring company, it or a relevant associated company holds a chargeable interest—
 - (i) that was acquired by the buyer in the relieved transaction, or
 - (ii) that is derived from an interest so acquired,and that has not subsequently been acquired at market value under a chargeable transaction for which group relief was available but was not claimed.
- (6) The provisions of this Schedule apply as if the buyer had then ceased to be a member of the same group as the seller.

Status: This is the original version (as it was originally enacted).

(7) In sub-paragraph (5)—

“arrangements” (“*trefniadau*”) includes any scheme, agreement or understanding, whether or not legally enforceable;

“relevant associated company” (“*cwmni cyswllt perthnasol*”), in relation to the buyer, means a company that is a member of the same group as the buyer that ceases to be a member of the same group as the acquiring company in consequence of the buyer so ceasing.