

SCHEDULE 4

CHARGEABLE CONSIDERATION

Carrying out of works

- 11 (1) Where the whole or part of the consideration for a land transaction consists of the carrying out of works of construction, improvement or repair of a building or other works to enhance the value of land, then—
- (a) to the extent that the conditions specified in sub-paragraph (2) are met, the value of the works does not count as chargeable consideration, and
 - (b) to the extent that those conditions are not met, the value of the works is to be taken into account as chargeable consideration.
- (2) The conditions referred to in sub-paragraph (1) are—
- (a) that the works are carried out after the effective date of the transaction,
 - (b) that the works are carried out on land acquired or to be acquired under the transaction or on other land held by the buyer or a person connected with the buyer, and
 - (c) that it is not a condition of the transaction that the works are carried out by the seller or a person connected with the seller.
- (3) Where by virtue of—
- (a) section 10(5) (contract and transfer), or
 - (b) paragraph 20 of Schedule 6 (agreement for lease),
- there are two notifiable transactions (the first being the contract or agreement and the second being the transaction effected on completion or, as the case may be, the grant of the lease), the condition in sub-paragraph (2)(a) is treated as met in relation to the second transaction if it is met in relation to the first.
- (4) In this paragraph—
- (a) references to the acquisition of land are to the acquisition of a major interest in it;
 - (b) the value of the works is to be taken to be the amount that would have to be paid in the open market as at the effective date of the transaction for the carrying out of the works in question (including any value added tax that would be chargeable in respect of the carrying out of the works).
- (5) This paragraph is subject to paragraph 18 (arrangements involving public or educational bodies).