

SCHEDULE 5

HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS

PART 5

SUPPLEMENTARY PROVISIONS

Settlements and bare trusts

- 27 (1) Sub-paragraph (3) applies in relation to a land transaction if—
- (a) the main subject-matter of the transaction consists of a major interest in one or more dwellings,
 - (b) the buyer (or one of them) is acting as trustee of a settlement, and
 - (c) under the terms of the settlement a beneficiary will be entitled to—
 - (i) occupy the dwelling or dwellings for life, or
 - (ii) income earned in respect of the dwelling or dwellings.
- (2) Sub-paragraph (3) also applies in relation to a land transaction if—
- (a) the main subject-matter of the transaction consists of a term of years absolute in a dwelling, and
 - (b) the buyer (or one of them) is acting as a trustee of a bare trust (within the meaning given by paragraph 2(1) and (2) of Schedule 8).
- (3) Where this sub-paragraph applies in relation to a land transaction the beneficiary of the settlement or bare trust (rather than the trustee) is to be treated for the purposes of this Schedule as the buyer (or as one of them).
- (4) Paragraphs 3(3) and 4 of Schedule 8 (trustees to be treated as the buyer) have effect subject to sub-paragraph (3).