

SCHEDULE 6

LEASES

PART 4

AGREEMENTS FOR LEASE, ASSIGNMENTS AND VARIATIONS

Cases where assignment of lease treated as grant of lease

- 22 (1) This paragraph applies where the grant of a lease is relieved from tax by virtue of any of the provisions specified in sub-paragraph (4).
- (2) The first assignment of the lease that is not relieved from tax by virtue of any of the provisions specified in sub-paragraph (4), and in relation to which the assignee does not acquire the lease as a bare trustee of the assignor, is treated for the purposes of this Act as if it were the grant of a lease by the assignor—
- (a) for a term equal to the unexpired term of the lease referred to in sub-paragraph (1), and
 - (b) on the same terms as those on which the assignee holds the lease after the assignment.
- (3) Sub-paragraph (2) does not apply where an assignment of a lease, but for the application of that sub-paragraph, would be relieved from tax by virtue of Schedule 11 (alternative finance investment bonds).
- (4) The provisions are—
- (a) Schedule 9 (sale and leaseback relief);
 - (b) paragraphs 13 and 15 of Schedule 11 (alternative finance investment bond relief);
 - (c) Schedule 16 (group relief);
 - (d) Schedule 17 (reconstruction and acquisition relief);
 - (e) Schedule 18 (charities relief);
 - (f) paragraph 1 of Schedule 20 (relief for certain acquisitions involving public bodies).
- (5) This paragraph does not apply where the relief in question is group relief, reconstruction or acquisition relief or charities relief and is withdrawn as a result of a disqualifying event occurring before the effective date of the assignment.
- (6) For the purposes of sub-paragraph (5), “disqualifying event” means—
- (a) in relation to the withdrawal of group relief, the event falling within paragraph 8(2)(a) of Schedule 16 (buyer ceasing to be a member of the same group as the seller) as read with paragraph 9 of that Schedule;
 - (b) in relation to the withdrawal of reconstruction or acquisition relief, the change of control of the acquiring company mentioned in paragraph 5(2) of Schedule 17 or, as the case may be, the event mentioned in paragraph 7(2) or (3) of that Schedule;
 - (c) in relation to the withdrawal of charities relief, a disqualifying event as defined in paragraph 2(4) or 5(2)(b) of Schedule 18.