

SCHEDULE 10 GROUP RELIEF

PART 2

THE RELIEF

The relief

- 2 A land transaction is exempt from charge if the seller and buyer are companies that at the effective date of the transaction are members of the same group.

Restrictions on availability of relief

- 3 Relief under this schedule is not available if at the effective date of the transaction there are arrangements in existence by virtue of which, at that or some later time, a person has or could obtain, or any persons together have or could obtain, control of the buyer but not of the seller.
- 4 Paragraph 3 does not apply to arrangements to which paragraph 9 or 10 applies.
- 5 Relief under this schedule is not available if the transaction is effected in pursuance of, or in connection with, arrangements under which—
- (a) the consideration, or any part of the consideration, for the transaction is to be provided or received (directly or indirectly) by a person other than a group company, or
 - (b) the seller and the buyer are to cease to be members of the same group by reason of the buyer ceasing to be a 75% subsidiary of the seller or a third company.
- 6 Arrangements are within paragraph 5(a) if under them the seller or the buyer, or another group company, is to be enabled to provide any of the consideration, or is to part with any of it, by or in consequence of the carrying out of a transaction or transactions involving, or any of them involving, a payment or other disposition by a person other than a group company.
- 7 Paragraph 5(b) does not apply to arrangements to which paragraph 10 applies.
- 8 Relief under this schedule is not available if the transaction—
- (a) is not effected for bona fide commercial reasons, or
 - (b) forms part of arrangements the main purpose, or one of the main purposes, of which is the avoidance of liability to the tax.

Arrangements that do not restrict availability of relief

- 9 This paragraph applies to arrangements entered into with a view to an acquisition of shares by a company (“the acquiring company”)—
- (a) in relation to which section 75 of the Finance Act 1986 (c.41) (stamp duty: acquisition relief) will apply,
 - (b) in relation to which the conditions for relief under that section will be met, and
 - (c) as a result of which the buyer will be a member of the same group as the acquiring company.

Status: This is the original version (as it was originally enacted).

- 10 This paragraph applies to arrangements in so far as they are for the purpose of facilitating a transfer of the whole or part of the business of a company to another company in relation to which—
- (a) section 96 of the Finance Act 1997 (c.16) (stamp duty relief: demutualisation of insurance companies) is intended to apply, and
 - (b) the conditions for relief under that section are intended to be met.

Interpretation

- 11 In this Part of this schedule—
- “control” has the meaning given by section 1124 of the Corporation Tax Act 2010 (c.4),
 - “group company” means a company that at the effective date of the transaction is a member of the same group as the seller and the buyer.