SCHEDULE 19
LEASES

PART 6

OTHER PROVISION ABOUT LEASES

Missives of let followed by execution of formal lease

26 (1) Where a lease is constituted by concluded missives of let ("the first lease") and at some later time a lease is executed ("the second lease"), the first lease is treated as if it were a lease granted—

(a) on the date the missives of let were concluded,

(b) for a term which begins with that date and ends at the end of the term of the second lease, and

(c) in consideration of the total rent payable over that term and any other consideration given for the first lease or the second lease.

(2) Where sub-paragraph (1) applies the grant of the second lease is disregarded for the purposes of this Act except section 34 (return or further return in consequence of later linked transaction).

(3) Section 63 (read with section 64) makes provision for the effective dates in relation to the first lease and the second lease.

(4) For the purposes of section 34—

(a) the grant of the first lease and the grant of the second lease are linked (whether or not they would be linked by virtue of section 57),

(b) the tenant under the second lease (rather than the tenant under the first lease) is liable for any tax or additional tax payable in respect of the first lease as a result of sub-paragraph (1), and

(c) the reference in section 34(2) to the "buyer in the earlier transaction" is to be read, in relation to the first lease, as a reference to the tenant under the second lease.

(5) In this paragraph, references to the execution of a lease are to the execution of a lease that either is in conformity with, or relates to substantially the same premises and term as, the missives of let.