

SCHEDULES

SCHEDULE 6

PURCHASE PRICE PAYABLE BY NOMINEE PURCHASER

PART VI

VALUATION ETC. OF OTHER INTERESTS WITH NEGATIVE VALUES

Valuation of freehold and leasehold interests

- 18 (1) Where—
- (a) the value of any freehold interest (as determined in accordance with paragraph 11(1)), or
 - (b) the value of any leasehold interest (as determined in accordance with paragraph 11(2)),
- is a negative amount, the value of the interest for the relevant purposes shall be nil.
- (2) Where, in the case of any property, sub-paragraph (1) applies to any leasehold interest in the property whose value is a negative amount (“the negative interest”), then for the relevant purposes any interests in the property superior to the negative interest and having a positive value shall, if they are interests which are to be acquired by the nominee purchaser, be reduced in value—
- (a) beginning with the interest which is nearest to the negative interest and continuing (if necessary) with any such other superior interests in order of proximity to the negative interest;
 - (b) until the aggregate amount of the reduction is equal to the negative amount in question; and
 - (c) without reducing the value of any interest to less than nil.
- (3) In a case where sub-paragraph (1) applies to two or more leasehold interests in any property whose values are negative amounts, sub-paragraph (2) shall apply separately in relation to each of those interests—
- (a) beginning with the interest which is inferior to every other of those interests and then in order of proximity to that interest; and
 - (b) with any reduction in the value of any interest for the relevant purposes by virtue of any prior application of sub-paragraph (2) being taken into account.
- (4) For the purposes of sub-paragraph (2) an interest has a positive value if (apart from that sub-paragraph) its value for the relevant purposes is a positive amount.
- (5) In this Part of this Schedule “the relevant purposes”—
- (a) as respects any freehold interest, means the purposes of paragraph 10(1)(a); and
 - (b) as respects any leasehold interest, means the purposes of paragraph 10(2)(a).

Status: This is the original version (as it was originally enacted).

Calculation of marriage value

- 19 (1) Where (as determined in accordance with paragraph 4(3) and (4)) the value of any interest—
- (a) when held by the person from whom it is to be acquired by the nominee purchaser, or
 - (b) when acquired by the nominee purchaser,
- is a negative amount, then for the purposes of paragraph 4(2) the value of the interest when so held or acquired shall be nil.
- (2) Where, in the case of any property, sub-paragraph (1) above applies to any leasehold interest in the property whose value when held or acquired as mentioned in paragraph (a) or (b) of that sub-paragraph is a negative amount, paragraph 18(2) to (4) shall apply for determining for the purposes of paragraph 4(2) the value when so held or acquired of other interests in the property, as if—
- (a) any reference to paragraph 18(1) were a reference to sub-paragraph (1) above; and
 - (b) any reference to the relevant purposes were, as respects any interest, a reference to the purposes of paragraph 4(2) as it applies to the interest when so held or acquired.
- (3) In this paragraph any reference to any provision of paragraph 4 is a reference to that provision as it applies in accordance with paragraph 12(1).
- (4) References in paragraph 20 or 21 to paragraph 18(2) or (3) do not extend to that provision as it applies in accordance with sub-paragraph (2) above.

Apportionment of marriage value

- 20 (1) Where paragraph 18(1) applies to any interest in any property to which paragraph 12(1) applies, the value of the interest for the purposes of paragraph 12(2) shall be nil, unless sub-paragraph (2) below applies.
- (2) Where, in the case of any property, paragraph 18(1) applies to every interest which is to be acquired by the nominee purchaser—
- (a) sub-paragraph (1) above shall not apply for the purposes of paragraph 12(2); and
 - (b) any division falling to be made on the proportional basis referred to in paragraph 12(2) shall be so made in such a way as to secure that the greater the negativity of an interest's value the smaller the share in respect of the interest.
- (3) Where in the case of any property—
- (a) paragraph 18(2) operates to reduce the value of any such superior interest as is there mentioned (“the superior interest”), and
 - (b) after the operation of that provision there remains any interest which is to be acquired by the nominee purchaser and whose value for the relevant purposes is a positive amount,
- the value of the superior interest for the purposes of paragraph 12(2) shall be the value which (in accordance with paragraph 18(2)) it has for the relevant purposes.
- (4) Where in the case of any property—

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

- (a) paragraph 18(2) operates to reduce the value of any such superior interest as is there mentioned (“the superior interest”), but
 - (b) after the operation of that provision there remains no such interest as is mentioned in sub-paragraph (3)(b) above,
- the value of the superior interest for the purposes of paragraph 12(2) shall be the value which it has for the relevant purposes apart from paragraph 18(2).

Adjustment of compensation

- 21 (1) Where in the case of any property—
- (a) paragraph 18(2) operates to reduce the value of any such superior interest as is there mentioned (“the superior interest”), and
 - (b) apart from this paragraph any amount of compensation is payable by virtue of paragraph 13 to the owner of any relevant inferior interest in respect of that interest,
- there shall be payable to the owner of the superior interest so much of the amount of compensation as is equal to the amount of the reduction or, if less than that amount, the whole of the amount of compensation.
- (2) Where in the case of any property—
- (a) paragraph 18(2) operates to reduce the value of two or more such superior interests as are there mentioned (“the superior interests”), and
 - (b) apart from this paragraph any amount of compensation is payable by virtue of paragraph 13 to the owner of any relevant inferior interest in respect of that interest,
- sub-paragraph (1) shall apply in the first instance as if the reference to the owner of the superior interest were to the owner of such of the superior interests as is furthest from the negative interest, and then, as respects any remaining amount of compensation, as if that reference were to the owner of such of the superior interests as is next furthest from the negative interest, and so on.
- (3) In sub-paragraph (1) or (2) “relevant inferior interest”, in relation to any interest whose value is reduced as mentioned in that sub-paragraph (“the superior interest”), means—
- (a) the negative interest on account of which any such reduction is made, or
 - (b) any other interest in the property in question which is to be acquired by the nominee purchaser and is intermediate between that negative interest and the superior interest;
- but sub-paragraph (1) shall apply in the first instance in relation to any amount of compensation payable to the owner of that negative interest, and then, for the purpose of offsetting (so far as possible) any reduction remaining to be offset in accordance with sub-paragraph (1) or (2), in relation to any amount of compensation payable to the owner of such interest falling within paragraph (b) above as is nearest to that negative interest, and so on in order of proximity to it.
- (4) To the extent that an amount of compensation is payable to the owner of any interest by virtue of this paragraph—
- (a) paragraph 10(1)(c) or (as the case may be) paragraph 10(2)(b) shall have effect as if it were an amount of compensation payable to him, as owner of that interest, in accordance with paragraph 13; and

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

- (b) the person who would otherwise have been entitled to it in accordance with paragraph 13 shall accordingly not be so entitled.
- (5) In a case where paragraph 18(2) applies separately in relation to two or more negative interests in accordance with paragraph 18(3), the preceding provisions of this paragraph shall similarly apply separately in relation to the reductions made on account of each of those interests, and shall so apply—
- (a) according to the order determined by paragraph 18(3)(a); and
 - (b) with there being taken into account any reduction in the amount of compensation payable to any person by virtue of paragraph 13 which results from the prior application of the preceding provisions of this paragraph.