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**Changes to legislation:** There are currently no known outstanding effects for the Value Added Tax Act 1994, Paragraph 12. (See end of Document for details)

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## SCHEDULES

### [<sup>F1</sup>SCHEDULE 10

#### BUILDINGS AND LAND

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##### Textual Amendments

- F1** Sch. 10 substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Value Added Tax \(Buildings and Land\) Order 2008 \(S.I. 2008/1146\)](#), arts. 1(1), 2 (with [Sch. 2](#))

### PART 1

#### THE OPTION TO TAX LAND

##### *Anti-avoidance*

##### *Developers of exempt land*

12. (1) A supply is not, as a result of an option to tax, a taxable supply if—
- (a) the grant giving rise to the supply was made by a person (“the grantor”) who was a developer of the land, and
  - (b) the exempt land test is met.
- (2) The exempt land test is met if, at the time when the grant was made (or treated for the purposes of this paragraph as made), the relevant person intended or expected that the land—
- (a) would become exempt land (whether immediately or eventually and whether or not as a result of the grant), or
  - (b) would continue, for a period at least, to be exempt land.
- (3) “The relevant person” means—
- (a) the grantor, or
  - (b) a development financier.
- (4) For the meaning of a development financier, see paragraph 14.
- (5) For the meaning of “exempt land”, see paragraphs 15 and 16.
- (6) If a supply is made by a person other than the person who made the grant giving rise to it—
- (a) the person making the supply is treated for the purposes of this paragraph as the person who made the grant giving rise to it, and
  - (b) the grant is treated for the purposes of this paragraph as made at the time when that person made the first supply arising from the grant.

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- (7) For a special rule in the case of a grant made on or after 19th March 1997 and before 10th March 1999, see paragraph 17.
- (8) Nothing in this paragraph applies in relation to a supply arising from—
- (a) a grant made before 26th November 1996, or
  - (b) a grant made on or after that date but before 30th November 1999, in pursuance of a written agreement entered into before 26th November 1996, on terms which (as terms for which provision was made by that agreement) were fixed before 26th November 1996.]

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