
Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Cross Heading: The option to tax. (See end of Document for details)

SCHEDULES

[^{F1}SCHEDULE 10

BUILDINGS AND LAND

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

The option to tax

Effect of the option to tax: exempt supplies become taxable

2. (1) This paragraph applies if—
- (a) a person exercises the option to tax any land under this Part of this Schedule, and
 - (b) a grant is made in relation to the land at any time when the option to tax it has effect.
- (2) If the grant is made—
- (a) by the person exercising that option, or
 - (b) by a relevant associate (if that person is a body corporate),
- the grant does not fall within Group 1 of Schedule 9 (exemptions for land).
- (3) For the meaning of “relevant associate”, see paragraph 3.

Meaning of “relevant associate”

3. (1) This paragraph explains for the purposes of this Part of this Schedule what is meant by a “relevant associate” in a case where a [^{F2}person] (“the opter”) exercises an option to tax in relation to any building or land.
- (2) A [^{F3}person] is a relevant associate of the opter if under sections 43A to 43D (groups of companies) the [^{F3}person]—
- (a) was treated as a member of the same group as the opter at the time when the option first had effect,
 - (b) has been so treated at any later time when the opter had a relevant interest in the building or land, or

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- (c) has been treated as a member of the same group as a ^{F4}person] within paragraph (a) or (b) of this sub-paragraph at a time when ^{F5}that person] had a relevant interest in the building or land.
- (3) But a ^{F6}person (“P”) ceases to be a relevant associate of the opter in relation to the building or land in the following circumstances.
- (4) ^{F7}P] ceases to be a relevant associate of the opter in relation to the building or land at the time when all of the following conditions are first met—
- (a) ^{F8}P] has no relevant interest in the building or land ^{F9},
 - (aa) where ^{F10}P] has disposed of such an interest, it is not the case that a supply for the purposes of the charge to VAT in respect of the disposal—
 - (i) is yet to take place, or
 - (ii) would be yet to take place if one or more conditions (such as the happening of an event or the doing of an act) were to be met,]
 - (b) ^{F11}P] or the opter is not treated under sections 43A to 43D as a member of the group mentioned above, and
 - (c) ^{F12}P] is not connected with any person who has a relevant interest in the building or land where that person is the opter or another relevant associate of the opter.
- (5) ^{F13}P] also ceases to be a relevant associate of the opter in relation to the building or land if ^{F13}P]—
- (a) meets conditions specified in a public notice (see paragraph 4), or
 - (b) gets the prior permission of the Commissioners (also, see that paragraph).
- The time when ^{F14}P] ceases to be a relevant associate of the opter is determined in accordance with that paragraph.
- (6) In this paragraph “relevant interest in the building or land” means an interest in, right over or licence to occupy the building or land (or any part of it).

Textual Amendments

- F2** Word in Sch. 10 para. 3(1) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(a\)](#); [S.I. 2019/1348, reg. 2](#)
- F3** Word in Sch. 10 para. 3(2) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(b\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F4** Word in Sch. 10 para. 3(2)(c) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(b\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F5** Words in Sch. 10 para. 3(2)(c) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(b\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F6** Words in Sch. 10 para. 3(3) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(c\)](#); [S.I. 2019/1348, reg. 2](#)
- F7** Word in Sch. 10 para. 3(4) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(d\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F8** Word in Sch. 10 para. 3(4)(a) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(d\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F9** Words in Sch. 10 para. 3(4) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Value Added Tax \(Buildings and Land\) Order 2009 \(S.I. 2009/1966\), arts. 1\(1\), 3](#)
- F10** Word in Sch. 10 para. 3(4)(aa) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(d\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)

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- F11** Word in Sch. 10 para. 3(4)(b) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(d\)\(ii\)](#); S.I. 2019/1348, reg. 2
- F12** Word in Sch. 10 para. 3(4)(c) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(d\)\(ii\)](#); S.I. 2019/1348, reg. 2
- F13** Word in Sch. 10 para. 3(5) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(e\)\(i\)](#); S.I. 2019/1348, reg. 2
- F14** Word in Sch. 10 para. 3(5) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(2\)\(e\)\(ii\)](#); S.I. 2019/1348, reg. 2

Permission for a body corporate to cease to be a relevant associate of the opter

4. (1) This paragraph applies for the purposes of paragraph 3(5) in relation to a ^{F15}person (“P”) who] has been a relevant associate of the opter.
- (2) If the conditions specified in the public notice under paragraph 3(5)(a) are met in relation to ^{F16}P, P] ceases to be a relevant associate of the opter only if notification of those conditions being met is given to the Commissioners.
- (3) The notification must—
- (a) be made in a form specified in a public notice,
 - (b) state the day from which ^{F17}P] is to cease to be a relevant associate of the opter (which may not be before the day on which the notification is given),
 - (c) contain a statement by ^{F18}P] certifying that, on that day, the conditions specified in the public notice under paragraph 3(5)(a) are met in relation to ^{F19}P], and
 - (d) contain other information specified in a public notice.
- (4) An application for the prior permission of the Commissioners must—
- (a) be made in a form specified in a public notice,
 - (b) contain a statement by ^{F20}P] certifying which (if any) of the conditions specified in the public notice under paragraph 3(5)(a) are met in relation to ^{F21}P], and
 - (c) contain other information specified in a public notice.
- (5) If ^{F22}P] gets the prior permission of the Commissioners, ^{F23}P] ceases to be a relevant associate of the opter from—
- (a) the day on which the Commissioners give their permission, or
 - (b) such earlier or later day as they specify in their permission.
- (6) The Commissioners may specify an earlier day only if—
- (a) ^{F24}P] has purported to give a notification of ^{F25}P's] ceasing to be a relevant associate of the opter,
 - (b) the conditions specified in the public notice are not, in the event, met in relation to ^{F26}P], and
 - (c) the Commissioners consider that the grounds on which those conditions are not so met are insignificant.
- (7) The day specified may be the day from which ^{F27}P] would have ceased to be a relevant associate of the opter if those conditions had been so met.

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- (8) The Commissioners may specify conditions subject to which their permission is given and, if any of those conditions are broken, they may treat the application as if it had not been made.]

Textual Amendments

- F15** Words in Sch. 10 para. 4(1) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(a\)](#); [S.I. 2019/1348, reg. 2](#)
- F16** Words in Sch. 10 para. 4(2) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(b\)](#); [S.I. 2019/1348, reg. 2](#)
- F17** Word in Sch. 10 para. 4(3)(b) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(c\)](#); [S.I. 2019/1348, reg. 2](#)
- F18** Word in Sch. 10 para. 4(3)(c) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(d\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F19** Word in Sch. 10 para. 4(3)(c) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(d\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F20** Word in Sch. 10 para. 4(4)(b) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(e\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F21** Word in Sch. 10 para. 4(4)(b) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(e\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F22** Word in Sch. 10 para. 4(5) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(f\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F23** Word in Sch. 10 para. 4(5) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(f\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F24** Word in Sch. 10 para. 4(6)(a) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(g\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)
- F25** Word in Sch. 10 para. 4(6)(a) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(g\)\(ii\)](#); [S.I. 2019/1348, reg. 2](#)
- F26** Word in Sch. 10 para. 4(6)(b) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(h\)](#); [S.I. 2019/1348, reg. 2](#)
- F27** Word in Sch. 10 para. 4(7) substituted (1.11.2019) by [Finance Act 2019 \(c. 1\), s. 53\(2\), Sch. 18 para. 15\(3\)\(i\)](#); [S.I. 2019/1348, reg. 2](#)

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