***Changes to legislation:*** *Finance Act 2008, Paragraph 15 is up to date with all changes known to be in force on or before 12 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

# SCHEDULES

## SCHEDULE 26

### SPECIAL RATE EXPENDITURE AND THE SPECIAL RATE POOL

### PART 2

### COMMENCEMENT ETC

*Sale between connected persons*

15 (1) This paragraph applies where, on or after the relevant date—

(a) there is a sale of a pre-commencement integral feature,

(b) the buyer and seller are connected persons (within the meaning of section 575 of CAA 2001), and

(c) the buyer's expenditure on the integral feature would (apart from this paragraph) be special rate expenditure.

(2) An integral feature is a pre-commencement integral feature if the seller—

(a) incurred expenditure on it before the relevant date, or

(b) incurred expenditure on it on or after that date which was not qualifying expenditure because of a previous application of this paragraph.

(3) The buyer's expenditure on the integral feature is not qualifying expenditure unless—

(a) the original expenditure was qualifying expenditure, or

(b) the buyer's expenditure would have been qualifying expenditure, had it been incurred at the time the original expenditure was incurred.

(4) The "original expenditure"—

(a) where the integral feature is a pre-commencement integral feature because of sub-paragraph (2)(a), is the expenditure mentioned in that sub-paragraph, and

(b) otherwise, is the expenditure incurred on the integral feature before the relevant date by virtue of which this paragraph first applied.

(5) The "relevant date" has the same meaning as in paragraph 14.

**Changes to legislation:**
Finance Act 2008, Paragraph 15 is up to date with all changes known to be in force on or before 12 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.
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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

– Blanket amendment words substituted by S.I. 2011/1043 art. 34

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

– Sch. 41 para. 6(1A) inserted by 2015 c. 11 Sch. 20 para. 10(2)
– Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by 2015 c. 11 Sch. 20 para. 11(2)