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STATUTORY INSTRUMENTS

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**2010 No. 485**

**The Value Added Tax (Buildings and Land) Order 2010**

**Amendment of Schedule 10 to the Value Added Tax Act 1994**

**6. After paragraph 15 insert—**

**“Meaning of “exempt land”: the building occupation conditions**

**15A.—**(1) For the purposes of paragraph 15(3A), the building occupation conditions are met at any time (“the time in question”) if—

- (a) the grant consists of or includes the grant of a relevant interest in a building, and
- (b) P does not, at the time in question, occupy—
  - (i) any part of the land that is not a building, or
  - (ii) more than 10% of any relevant building.

(2) For the purposes of sub-paragraph (1)(b)(i) and (ii) occupation by a person connected with P is treated as occupation by P.

(3) For the purposes of sub-paragraph (1)(b)(i) occupation by a person of—

- (a) land used for the parking of cars or other vehicles, or
- (b) land that is within the curtilage of a building,

is disregarded if the occupation is ancillary to the occupation by that person of a building.

(4) In sub-paragraph (1)(b)(ii) “relevant building”—

- (a) means a building any relevant interest in which is included in the grant, but
- (b) does not include any part of such a building in which, immediately before the grant, neither the grantor nor any person connected with the grantor held a relevant interest.

(5) The way in which occupation by a person of a building is measured for the purposes of sub-paragraph (1)(b)(ii) is to be determined in accordance with conditions specified in a public notice<sup>(1)</sup>.

(6) In this paragraph “relevant interest”, in relation to a building or part of a building, means any interest in, right over or licence to occupy the building or part.

(7) Sub-paragraphs (4) to (7) of paragraph 18 (meaning of “building”) apply for the purposes of this paragraph.”.

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(1) “Public notice” is defined in paragraph 34(3) of Schedule 10 to the Value Added Tax Act 1994 for the purposes of Part 1 of that Schedule.