

**EXPLANATORY MEMORANDUM TO**  
**THE LONDON LEGACY DEVELOPMENT CORPORATION (TAX**  
**CONSEQUENCES) REGULATIONS 2012**

**2012 No. 701**

**1.** This explanatory memorandum has been prepared by Her Majesty's Revenue & Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

**2. Purpose of the instrument**

2.1 The Regulations deal with the tax consequences of the transfer under London Legacy Development Corporation and the Olympic Park Legacy Company Transfer Scheme 2012 (the OPLC Scheme) of property, rights and liabilities from the Olympic Park Legacy Company Limited (OPLC) to the London Legacy Development Corporation (LLDC). They also deal with the tax consequences of the transfer under the London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 1) Transfer Scheme 2012 (the LTGDC Scheme) of some of the London Thames Gateway Development Corporation's (LTGDC) trading stock from it to the LLDC.

**3. Matters of special interest to the Select Committee on Statutory Instruments**

3.1 None.

**4. Legislative Context**

4.1 The Regulations are being made under powers conferred by Part 3 of Schedule 24 to the Localism Act 2011 (the Act). These Regulations are the first regulations made in exercise of those powers.

4.2 Part 3 of Schedule 24 to the Act provides that regulations may make provision to vary the way in which a relevant tax would have effect in relation to a transfer scheme, such as the OPLC Scheme and the LTGDC Scheme (the Schemes), made under section 200(1) of the Act. The Regulations are made so as to neutralise unintended tax consequences resulting from the transfers made under the Schemes.

**5. Territorial Extent and Application**

5.1 The Regulations apply to all of the United Kingdom.

**6. European Convention on Human Rights**

As the Regulations are subject to negative resolution procedure and do not amend primary legislation, no statement is required.

## **7. Policy background**

- *What is being done and why*

7.1 Without further provision the transfers of property, rights and liabilities from OPLC, and trading stock of LTGDC, to LLDC could trigger tax charges and reliefs that would arise solely because of the Schemes. It is not intended that the transfers under the Schemes should result in a tax advantage or disadvantage for the entities concerned. The Regulations therefore make provision to neutralise unintended tax consequences resulting from the transfers made under the Schemes.

- *Consolidation*

7.2 Not applicable.

## **8. Consultation outcome**

8.1 Not applicable.

## **9. Guidance**

9.1 Not applicable.

## **10. Impact**

10.1 There is no impact on business, charities or voluntary bodies.

10.2 There is no impact on the public sector.

10.3 A Tax Information and Impact Note covering the Regulations will be published on the HMRC website at <http://www.hmrc.gov.uk/the-library/tiins.htm>.

## **11. Regulating small business**

11.1 The Regulations do not apply to small business.

## **12. Monitoring & review**

12.1 HMRC has no plans to monitor the provisions of the Regulations since they merely provide tax neutrality for the transfers made under the Schemes.

## **13. Contact**

Hugh Dorey at HM Revenue & Customs (tel: 020 7147 3850 or email: [hugh.dorey@hmrc.gsi.gov.uk](mailto:hugh.dorey@hmrc.gsi.gov.uk)) can answer any queries regarding the Regulations.