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**Changes to legislation:** There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Paragraph 2. (See end of Document for details)

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## SCHEDULE 10

### ALTERNATIVE PROPERTY FINANCE RELIEFS

#### PART 2

#### THE RELIEFS

*Land sold to financial institution and leased to a person*

- 2 (1) This paragraph applies where arrangements are entered into between a person (“P”) and a financial institution under which—
- the institution purchases a major interest in land or an undivided share of a major interest in land (“the first transaction”),
  - where the interest purchased is an undivided share, the major interest is held on trust for the institution and P as beneficial tenants in common,
  - the institution (or the person holding the land on trust as mentioned in paragraph (b)) grants to P out of the major interest a lease (if the major interest is freehold) or a sub-lease (if the major interest is leasehold) (“the second transaction”), and
  - the institution and P enter into an agreement under which P has a right to require the institution or its successor in title to transfer to P (in one transaction or a series of transactions) the whole interest purchased by the institution under the first transaction.
- (2) The first transaction is relieved from tax if the seller is—
- P, or
  - another financial institution by whom the interest was acquired under arrangements of the kind mentioned in sub-paragraph (1) entered into between it and P.
- (3) The second transaction is relieved from tax if the provisions of this Act and TCMA relating to the first transaction are complied with (including any requirement to pay tax chargeable on the first transaction).
- (4) A transfer to P that results from the exercise of the right mentioned in sub-paragraph (1)(d) (“a further transaction”) is relieved from tax if—
- the provisions of this Act and TCMA relating to the first and second transactions are complied with, and
  - at all times between the second transaction and the further transaction—
    - the interest purchased under the first transaction is held by a financial institution so far as not transferred by a previous further transaction, and
    - the lease or sub-lease granted under the second transaction is held by P.
- (5) The agreement mentioned in sub-paragraph (1)(d) is not to be treated—
- as substantially performed unless and until the whole interest purchased by the institution under the first transaction has been transferred to P (and accordingly section 14(1) does not apply), nor

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- (b) as a distinct land transaction by virtue of section 15 (options and rights of pre-emption).
- (6) A further transaction that is relieved from tax by virtue of sub-paragraph (4) is not a notifiable transaction unless it involves the transfer to P of the whole interest purchased by the institution under the first transaction, so far as not transferred by a previous further transaction.

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**Modifications etc. (not altering text)**

- C1** Sch. 10 para. 2 restricted (1.4.2018) by [The Land Transaction Tax \(Transitional Provisions\) \(Wales\) Regulations 2018 \(S.I. 2018/126\)](#), regs. 1(2), **5**
- .....

**Commencement Information**

- I1** Sch. 10 para. 2 in force at 1.4.2018 by [S.I. 2018/34](#), **art. 3**

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