

SCHEDULE 18

CHARITIES RELIEF

Withdrawal of charities relief

- 4 (1) This paragraph applies where—
- (a) a land transaction is relieved from tax under paragraph 3 (“the relieved transaction”),
 - (b) a disqualifying event occurs in relation to a charity (“C”) which was the buyer under the relieved transaction, and
 - (c) the disqualifying event occurs in the circumstances required by sub-paragraphs (3) and (4).
- (2) Where this paragraph applies, relief under paragraph 3, or an appropriate proportion of it, is withdrawn and tax is chargeable (see sub-paragraph (5)).
- (3) The disqualifying event must occur—
- (a) before the end of the period of 3 years beginning with the effective date of the relieved transaction, or
 - (b) in pursuance of, or in connection with, arrangements made before the end of that period.
- (4) At the time of the disqualifying event C must hold a chargeable interest that—
- (a) was acquired by C under the relieved transaction, or
 - (b) that is derived from an interest so acquired.
- (5) The amount chargeable is the amount of tax that would have been chargeable but for paragraph 3 or, as the case may be, an appropriate proportion of that amount.
- (6) An “appropriate proportion” means an appropriate proportion having regard to—
- (a) what was acquired by C under the relieved transaction and what is held by C at the time of the disqualifying event, and
 - (b) the extent to which what is held by C at that time is or becomes used or held for purposes other than qualifying charitable purposes.