



Finance Act 2013

2013 CHAPTER 29

PART 3

ANNUAL TAX ON ENVELOPED DWELLINGS

Acquisitions and disposals

122 Contract and conveyance: the purchaser

- (1) This section applies where a person (“P”) enters into a contract under which—
 - (a) P is to acquire a relevant chargeable interest, and
 - (b) the acquisition is to be completed by a conveyance.
- (2) P is not regarded as acquiring any chargeable interest by reason of entering into the contract.
- (3) If the contract is substantially performed without having been completed, this Part has effect as if the substantial performance of the contract were the completion of the acquisition provided for by the contract.
- (4) Accordingly, where subsection (3) applies and the contract is subsequently completed by a conveyance, that completion is not treated for the purposes of section 102 (taxable value) as effecting the acquisition of a chargeable interest.
- (5) Where subsection (3) applies and—
 - (a) the contract is afterwards rescinded or annulled, or
 - (b) performance of the contract is for any other reason terminated before the contract has been carried fully into effect,this Part has effect as if P had at the relevant time disposed of the chargeable interest referred to in subsection (1)(a).
- (6) In subsection (5) “the relevant time” means—
 - (a) the time when the rescission or annulment takes effect, or
 - (b) (as the case requires) the time when performance of the contract ceases.

Status: Point in time view as at 17/07/2013.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, Section 122. (See end of Document for details)*

- (7) Where subsection (3) applies and the contract is afterwards varied (or partially rescinded) so that the chargeable interest to be acquired under the contract is not the same as the chargeable interest to which the contract originally related, this Part (including subsection (3)) has effect as if the variation of the contract effected—
- (a) the disposal by P of the chargeable interest referred to in subsection (1)(a), and
 - (b) the substantial performance of the contract, as varied.
- (8) If the parties to the contract proceed as if they had varied the contract in the way mentioned in subsection (7) (without actually doing so), subsection (7) applies as if they had actually made the corresponding variation in the terms of the contract.
- (9) In this section—
- (a) references to completion are to the completion of the acquisition proposed, whether or not between the original parties;
 - (b) “contract” includes any agreement;
 - (c) “conveyance” includes any instrument;
 - (d) “relevant chargeable interest” means a chargeable interest in or over land that consists of or includes a dwelling;
 - (e) “substantially performed” has the same meaning as in section 44 of FA 2003.

Status:

Point in time view as at 17/07/2013.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2013, Section 122.