



Finance Act 2003

2003 CHAPTER 14

PART 4

STAMP DUTY LAND TAX

[^{F1}Anti-avoidance]

Textual Amendments

- F1** S. 75ZA and cross-heading inserted (with effect in accordance with Sch. 16 para. 6 of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [Sch. 16 para. 2](#) (with [Sch. 16 para. 6](#))

[^{F2}75A Anti-avoidance

- (1) This section applies where—
- one person (V) disposes of a chargeable interest and another person (P) acquires either it or a chargeable interest deriving from it,
 - a number of transactions (including the disposal and acquisition) are involved in connection with the disposal and acquisition (“the scheme transactions”), and
 - the sum of the amounts of stamp duty land tax payable in respect of the scheme transactions is less than the amount that would be payable on a notional land transaction effecting the acquisition of V’s chargeable interest by P on its disposal by V.
- (2) In subsection (1) “transaction” includes, in particular—
- a non-land transaction,
 - an agreement, offer or undertaking not to take specified action,
 - any kind of arrangement whether or not it could otherwise be described as a transaction, and
 - a transaction which takes place after the acquisition by P of the chargeable interest.

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- (3) The scheme transactions may include, for example—
- (a) the acquisition by P of a lease deriving from a freehold owned or formerly owned by V;
 - (b) a sub-sale to a third person;
 - (c) the grant of a lease to a third person subject to a right to terminate;
 - (d) the exercise of a right to terminate a lease or to take some other action;
 - (e) an agreement not to exercise a right to terminate a lease or to take some other action;
 - (f) the variation of a right to terminate a lease or to take some other action.
- (4) Where this section applies—
- (a) any of the scheme transactions which is a land transaction shall be disregarded for the purposes of this Part, but
 - (b) there shall be a notional land transaction for the purposes of this Part effecting the acquisition of V's chargeable interest by P on its disposal by V.
- (5) The chargeable consideration on the notional transaction mentioned in subsections (1)(c) and (4)(b) is the largest amount (or aggregate amount)—
- (a) given by or on behalf of any one person by way of consideration for the scheme transactions, or
 - (b) received by or on behalf of V (or a person connected with V within the meaning of [F³section 1122 of the Corporation Tax Act 2010]) by way of consideration for the scheme transactions.
- (6) The effective date of the notional transaction is—
- (a) the last date of completion for the scheme transactions, or
 - (b) if earlier, the last date on which a contract in respect of the scheme transactions is substantially performed.
- (7) This section does not apply where subsection (1)(c) is satisfied only by reason of—
- (a) sections 71A to 73, or
 - (b) a provision of Schedule 9.

Textual Amendments

- F2** Ss. 75A-75C inserted (with effect in accordance with s. 71(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 71\(1\)](#) (with [s. 71\(3\)](#))
- F3** Words in s. 75A(5)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 407](#) (with [Sch. 2](#))

75B Anti-avoidance: incidental transactions

- (1) In calculating the chargeable consideration on the notional transaction for the purposes of section 75A(5), consideration for a transaction shall be ignored if or in so far as the transaction is merely incidental to the transfer of the chargeable interest from V to P.
- (2) A transaction is not incidental to the transfer of the chargeable interest from V to P—
- (a) if or in so far as it forms part of a process, or series of transactions, by which the transfer is effected,

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- (b) if the transfer of the chargeable interest is conditional on the completion of the transaction, or
 - (c) if it is of a kind specified in section 75A(3).
- (3) A transaction may, in particular, be incidental if or in so far as it is undertaken only for a purpose relating to—
- (a) the construction of a building on property to which the chargeable interest relates,
 - (b) the sale or supply of anything other than land, or
 - (c) a loan to P secured by a mortgage, or any other provision of finance to enable P, or another person, to pay for part of a process, or series of transactions, by which the chargeable interest transfers from V to P.
- (4) In subsection (3)—
- (a) paragraph (a) is subject to subsection (2)(a) to (c),
 - (b) paragraph (b) is subject to subsection (2)(a) and (c), and
 - (c) paragraph (c) is subject to subsection (2)(a) to (c).
- (5) The exclusion required by subsection (1) shall be effected by way of just and reasonable apportionment if necessary.
- (6) In this section a reference to the transfer of a chargeable interest from V to P includes a reference to a disposal by V of an interest acquired by P.

Textual Amendments

- F2** Ss. 75A-75C inserted (with effect in accordance with s. 71(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 71\(1\)](#) (with s. 71(3))

75C Anti-avoidance: supplemental

- (1) A transfer of shares or securities shall be ignored for the purposes of section 75A if but for this subsection it would be the first of a series of scheme transactions.
- (2) The notional transaction under section 75A attracts any relief under this Part which it would attract if it were an actual transaction (subject to the terms and restrictions of the relief).
- (3) The notional transaction under section 75A is a land transaction entered into for the purposes of or in connection with the transfer of an undertaking or part for the purposes of paragraphs 7 and 8 of Schedule 7, if any of the scheme transactions is entered into for the purposes of or in connection with the transfer of the undertaking or part.
- (4) In the application of section 75A(5) no account shall be taken of any amount paid by way of consideration in respect of a transaction to which any of sections 60, 61, 63, 64, 65, 66, 67, 69, 71 ^[F4] and 74], or a provision of Schedule 6A ^[F5], 7A] or 8, applies.
- (5) In the application of section 75A(5) an amount given or received partly in respect of the chargeable interest acquired by P and partly in respect of another chargeable interest shall be subjected to just and reasonable apportionment.
- (6) Section 53 applies to the notional transaction under section 75A.
- (7) Paragraph 5 of Schedule 4 applies to the notional transaction under section 75A.

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- (8) For the purposes of section 75A—
- (a) an interest in a property-investment partnership (within the meaning of paragraph 14 of Schedule 15) is a chargeable interest in so far as it concerns land owned by the partnership, ^{F6}...
- ^{F6}(b)
- [Nothing in Part 3 of Schedule 15 applies to the notional transaction under section 75A.]
^{F7}(8A)
- (9) For the purposes of section 75A a reference to an amount of consideration includes a reference to the value of consideration given as money's worth.
- (10) Stamp duty land tax paid in respect of a land transaction which is to be disregarded by virtue of section 75A(4)(a) is taken to have been paid in respect of the notional transaction by virtue of section 75A(4)(b).
- (11) The Treasury may by order provide for section 75A not to apply in specified circumstances.
- (12) An order under subsection (11) may include incidental, consequential or transitional provision and may make provision with retrospective effect.]

Textual Amendments

- F2** Ss. 75A-75C inserted (with effect in accordance with s. 71(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **s. 71(1)** (with s. 71(3))
- F4** Words in s. 75C(4) substituted (with effect in accordance with s. 29(4) of the amending Act) by [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), **Sch. 3 para. 16** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F5** Word in s. 75C(4) inserted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 16 para. 6**
- F6** S. 75C(8)(b) and word omitted (with effect in accordance with s. 55(2)-(4) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), **s. 55(1)(a)**
- F7** S. 75C(8A) inserted (with effect in accordance with s. 55(2)-(4) of the amending Act) by [Finance Act 2010 \(c. 13\)](#), **s. 55(1)(b)**

Changes to legislation:

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to legislation.gov.uk. The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)