

Changes to legislation: Finance Act 2003, Paragraph 12 is up to date with all changes known to be in force on or before 10 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 2A

TRANSACTIONS ENTERED INTO BEFORE COMPLETION OF CONTRACT

Textual Amendments

- F1** Sch. 2A inserted (with effect in accordance with Sch. 39 para. 11 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 39 para. 3](#)

Minimum consideration rule

- 12 (1) This paragraph applies where either of the following provisions applies—
- (a) paragraph 4(3) (assignment of rights: chargeable interest acquired or treated as acquired by transferee);
 - (b) paragraph 9(2) (free-standing transfers: chargeable interest acquired or treated as acquired by transferee).
- (2) If there is a relevant connection between parties, then for the purposes of paragraph 1(1) of Schedule 4 the consideration given by the purchaser for the subject-matter of the land transaction referred to in paragraph 4(4) or 9(2) is taken to be—
- (a) the amount that it would be apart from this sub-paragraph, or
 - (b) (if higher) the first minimum amount, or
 - (c) (if higher than both those amounts) the second minimum amount.
- (3) There is a “relevant connection between parties” if—
- (a) the persons who are the transferor and transferee in relation to the pre-completion transaction mentioned in paragraph 4(1) or 9(1) (“the implemented transaction”) are connected with each other, or are not acting at arm's length, or
 - (b) sub-paragraph (4) applies.
- (4) This sub-paragraph applies if—
- (a) the implemented transaction is one in a chain of successive transactions (all having at least part of their subject-matter in common) that are pre-completion transactions in relation to the original contract, and
 - (b) a person who is the transferor in relation to a pre-completion transaction that precedes the implemented transaction in the chain of transactions is connected with, or not acting at arm's length in relation to, the transferee under the implemented transaction.
- (5) Where the implemented transaction is a pre-completion transaction in relation to—
- (a) a contract for a land transaction that is not itself a free-standing transfer in relation to any other contract, and

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(b) a contract, or two or more successive contracts, that are themselves free-standing transfers in relation to the contract mentioned in paragraph (a), references in this paragraph to “the original contract” are to the contract mentioned in paragraph (a) (and do not include any contract mentioned in paragraph (b)).]

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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.)