

Status: Point in time view as at 11/07/2023.

Changes to legislation: Finance Act 2003, SCHEDULE 4A is up to date with all changes known to be in force on or before 15 June 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)

SCHEDULES

[^{F1}SCHEDULE 4A

STAMP DUTY LAND TAX: HIGHER RATE FOR CERTAIN TRANSACTIONS

Textual Amendments

- F1** Sch. 4A inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 4](#)

Modifications etc. (not altering text)

- C1** Sch. 4A modified (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 40 para. 9\(3\)](#)
C2 Sch. 4A modified (temp.) (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 24 para. 3](#)

Meaning of “higher threshold interest”

- 1 (1) In this paragraph “interest in a single dwelling” means so much of the subject-matter of a chargeable transaction as consists of a chargeable interest in or over a single dwelling (together with appurtenant rights).
- (2) An interest in a single dwelling is a higher threshold interest for the purposes of this Schedule if chargeable consideration of more than [^{F2}£500,000] is attributable to that interest.

Textual Amendments

- F2** Word in Sch. 4A para. 1(2) substituted (with effect in accordance with [s. 111\(4\)-\(6\)](#) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [s. 111\(2\)](#)

Transactions involving a higher threshold interest

- 2 (1) Sub-paragraphs (2) to (8) apply to a chargeable transaction whose subject-matter consists of or includes a higher threshold interest.
- (2) If the main subject-matter of the transaction consists entirely of higher threshold interests, the transaction is a high-value residential transaction for the purposes of paragraph 3.
- (3) If the main subject-matter of the transaction includes a chargeable interest other than a higher threshold interest, the transaction (“the primary transaction”) is to be treated for the relevant purposes as two separate chargeable transactions as follows—
- (a) a transaction whose subject-matter is all the higher threshold interests, together with any appurtenant rights;
 - (b) a transaction whose subject-matter is the remainder of the subject-matter of the primary transaction.

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- (4) For those purposes, the chargeable consideration for a transaction treated as occurring under sub-paragraph (3) is so much of the chargeable consideration for the primary transaction as is attributable to that transaction.
- (5) The transaction mentioned in sub-paragraph (3)(a) is a high-value residential transaction for the purposes of paragraph 3.
- (6) “Relevant purposes” means the purposes of—
- (a) paragraphs 3 [^{F3}, 5 to [^{F4}5L] and 6A to [^{F5}6I]] of this Schedule,
 - (b) section 55 (amount of tax chargeable: general),
 - (c) Schedule 5 (amount of tax chargeable: rent),
 - (d) Schedule 6B (transfers involving multiple dwellings), ^{F6} ...
 - [Schedule 7A (PAIF seeding relief and COACS seeding relief), and]
- ^{F7}(da)
- (e) any other provision of this Part, so far as it is necessary because of any of paragraphs (a) to [^{F8}(da)] to treat the purposes in question as relevant purposes.
- (7) If a transaction treated under sub-paragraph (3) as two separate transactions is notifiable, each of the separate transactions (but not the primary transaction) is also treated as a separate, and notifiable, transaction for the purposes of section 76 (duty to deliver land transaction return).
- (8) The provisions relating to land transaction returns are to be read with any adjustments that may be necessary as a result of sub-paragraph (7).
- (9) The reference in sub-paragraph (1) to a chargeable transaction does not include a transaction to which section 74 (exercise of collective rights by tenants of flats) or section 75 (crofting community right to buy) applies.

Textual Amendments

- F3** Words in Sch. 4A para. 2(6) substituted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 40 para. 2(2)**
- F4** Word in [Sch. 4A para. 2\(6\)\(a\)](#) substituted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), **Sch. 17 para. 7(2)(a)**
- F5** Word in [Sch. 4A para. 2\(6\)\(a\)](#) substituted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), **Sch. 17 para. 7(2)(b)**
- F6** Word in Sch. 4A para. 2(6)(d) omitted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **Sch. 16 para. 12(a)**
- F7** Sch. 4A para. 2(6)(da) inserted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 16 para. 12(b)**
- F8** Word in Sch. 4A para. 2(6)(e) substituted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 16 para. 12(c)**

Amount of tax chargeable: higher rate for certain transactions

- 3 (1) Where this paragraph applies to a chargeable transaction—
- (a) the amount of tax chargeable in respect of the transaction is 15% of the chargeable consideration for the transaction, and

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- (b) the transaction is not taken to be linked to any other transaction for the purposes of section [F955(1B), (1C) and (4)].
- (2) This paragraph applies to a chargeable transaction if—
- (a) the transaction is a high-value residential transaction, and
- (b) the condition in sub-paragraph (3) is met.
- (3) The condition is that—
- (a) the purchaser is a company,
- (b) the acquisition is made by or on behalf of the members of a partnership one or more of whose members is a company, or
- (c) the acquisition is made for the purposes of a collective investment scheme.
- (4) References in sub-paragraph (3) to a company do not include a company acting in its capacity as trustee of a settlement.
- (5) If there are two or more purchasers acting jointly, the condition in sub-paragraph (3) is treated as met if it is met in relation to at least one of those purchasers.
- (6) In relation to a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 17(2) of Schedule 15, sub-paragraph (3) has effect as if the following were substituted for paragraph (b) of that sub-paragraph—
- “(b) the purchasers (see paragraph 17(3) of Schedule 15) include a company, or”.
- (7) In relation to an event that is a chargeable transaction by virtue of paragraph 17A(4) of that Schedule, sub-paragraph (3) has effect as if the following were substituted for paragraph (b) of that sub-paragraph—
- “(b) the purchasers (see paragraph 17A(5) of Schedule 15) include a company, or”.
- (8) For the purposes of sub-paragraph (3), paragraph 3 of Schedule 16 (bare trustees) applies as if sub-paragraphs (2) and (3) of that paragraph were omitted.
- (9) In the case of a transaction for which the whole or part of the chargeable consideration is rent, this paragraph has effect subject to section 56 and Schedule 5 (amount of tax chargeable: rent).
- (10) The Treasury may by order amend this paragraph for the purpose of limiting the circumstances in which the condition in sub-paragraph (3) is to be treated as met.

Textual Amendments

- F9** Words in Sch. 4A para. 3(1)(b) substituted (with effect in accordance with s. 2(2) of the amending Act) by [Stamp Duty Land Tax Act 2015 \(c. 1\)](#), [Sch. para. 13](#) (with s. 2(3)-(6))

Acquisitions of interests in the same dwelling through different transactions

- 4 (1) Sub-paragraphs (2) and (3) apply if—
- (a) the subject-matter of a chargeable transaction includes a chargeable interest in or over a dwelling,

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- (b) one or more land transactions, the subject-matter of each of which includes a chargeable interest in or over the dwelling, are linked to that chargeable transaction, and
 - (c) the total consideration attributable to the interests mentioned in paragraphs (a) and (b) (and to any appurtenant rights, but disregarding any rent) is more than [^{F10}£500,000].
- (2) Each of those chargeable interests is treated as a higher threshold interest for the purposes of this Schedule.
- (3) If the condition in paragraph 3(3) is met in the case of the transaction mentioned in sub-paragraph (1)(a), it is also treated as met in the case of each transaction mentioned in sub-paragraph (1)(b) that is a chargeable transaction.
- (4) The transactions referred to in this paragraph do not include any transaction to which section 74 (exercise of collective rights by tenants of flats) or section 75 (crofting community right to buy) applies.

Textual Amendments

F10 Word in Sch. 4A para. 4(1)(c) substituted (with effect in accordance with s. 111(4)-(6) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [s. 111\(3\)\(a\)](#)

[^{F11} Businesses of letting, trading in or redeveloping properties

Textual Amendments

F11 Sch. 4A para. 5 substituted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 40 para. 2\(3\)](#)

- 5 (1) Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest that is acquired exclusively for one or more of the following purposes—
- (a) exploitation as a source of rents or other receipts (other than excluded rents) in the course of a qualifying property rental business;
 - [^{F12}(aa) use as business premises for the purposes of a qualifying property rental business (other than one which gives rise to income consisting wholly or mainly of excluded rents);
 - (ab) use for the purposes of a relievable trade;]
 - [^{F13}(b) development or redevelopment and—
 - (i) resale in the course of a property development trade, or
 - (ii) exploitation falling within paragraph (a) or use falling within paragraph (aa) or (ab);]
 - (c) resale in the course of a property development trade (in a case where the chargeable transaction is part of a qualifying exchange);
 - (d) resale (as stock of the business) in the course of a property trading business.
- (2) A chargeable interest does not count as being acquired exclusively for one or more of those purposes if it is intended that a non-qualifying individual will be permitted to occupy [^{F14}a dwelling on the land].

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(3) In this paragraph—

“excluded rents” has the same meaning as in section 133 of the Finance Act 2013;

“property development trade” means a trade that—

- (a) consists of or includes buying and developing or redeveloping for resale residential or non-residential property, and
- (b) is run on a commercial basis and with a view to profit;

“part of a qualifying exchange” is to be construed in accordance with section 139(4) of the Finance Act 2013;

“property trading business” means a business that—

- (a) consists of or includes activities in the nature of a trade of buying and selling dwellings, and
- (b) is run on a commercial basis and with a view to profit;

“qualifying property rental business” has the same meaning as in section 133 of the Finance Act 2013.

[^{F15}“relievable trade” means a trade that is run on a commercial basis and with a view to profit.]]

Textual Amendments

- F12** Sch. 4A para. 5(1)(aa)(ab) inserted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(2\)\(a\)\(i\)](#)
- F13** Sch. 4A para. 5(1)(b) substituted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(2\)\(a\)\(ii\)](#)
- F14** Words in Sch. 4A para. 5(2) substituted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(2\)\(b\)](#)
- F15** Words in Sch. 4A para. 5(3) inserted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(2\)\(c\)](#)

[^{F16}Meaning of “non-qualifying individual”

Textual Amendments

- F16** Sch. 4A paras. 5A-5K and cross-headings inserted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 40 para. 2\(4\)](#)

5A (1) In paragraph 5 “non-qualifying individual”, in relation to a chargeable transaction, means any of the following—

- (a) the purchaser (other than a purchaser entering into the transaction as a member of a partnership);
- (b) a purchaser who enters into the transaction as a member of a partnership and has a major share in the partnership,
- (c) an individual (a “connected person”) who is connected with the purchaser;
- (d) a relevant settlor;
- (e) the spouse or civil partner of a connected person or of a relevant settlor;
- (f) a relative of a connected person or of a relevant settlor, or the spouse or civil partner of a relative of a connected person or of a relevant settlor;

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- (g) a relative of the spouse or civil partner of a connected person or of a relevant settlor;
 - (h) the spouse or civil partner of a person falling within paragraph (g);
 - (i) an individual who is a major participant in a relevant collective investment scheme or is connected with a major participant in a relevant collective investment scheme.
- (2) A member of a partnership has a “major share” in the partnership if the member is entitled to a 50% or greater share—
- (a) in the income profits of the partnership, or
 - (b) in the partnership's assets.
- (3) A collective investment scheme is a “relevant collective investment scheme” for the purposes of sub-paragraph (1)(i) if the purchaser under the chargeable transaction referred to in that sub-paragraph acquires the subject-matter of the transaction for the purposes of that scheme.
- (4) An individual who participates in a collective investment scheme is a “major participant” in the scheme if the individual—
- (a) is entitled to a share of at least 50% either of all the profits or income arising from the scheme or of any profits or income arising from the scheme that may be distributed to participants, or
 - (b) would in the event of the winding up of the scheme be entitled to 50% or more of the assets of the scheme that would then be available for distribution among the participants.
- (5) The reference in sub-paragraph (4)(a) to profits or income arising from a collective investment scheme is to profits or income arising from the acquisition, holding, management or disposal of the property subject to the scheme.
- (6) In this paragraph—
- “participant”, in relation to a collective investment scheme, is to be read in accordance with section 235 of the Financial Services and Markets Act 2000;
 - “relative” means brother, sister, ancestor or lineal descendant;
 - “relevant settlor”, in relation to a chargeable transaction, means an individual who is a settlor in relation to a relevant settlement (as defined in sub-paragraph (7));
 - “settlement” has the same meaning as in Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act).
- (7) Where a person, in the capacity of trustee of a settlement, is connected with a person who is the purchaser under a chargeable transaction, that settlement is a “relevant settlement” in relation to the chargeable transaction.
- (8) In sub-paragraph (7) “trustee” is to be read in accordance with section 1123(3) of CTA 2010 (“connected persons”: supplementary).
- (9) In this paragraph “the purchaser”, in relation to a chargeable transaction, is to be read as a reference to any of the purchasers (if there are more than one).
- (10) Section 1122 of the Corporation Tax Act 2010 (connected persons) has effect for the purposes of this paragraph, but for those purposes—

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- (a) subsections (7) and (8) of that section (application of rules about connected persons to partnerships) are to be disregarded, and
- (b) subsections (2) to (7) of section 172 of the Finance Act 2013 apply as they apply for the purposes of Part 3 of that Act.

Trades involving making a dwelling available to the public

- 5B (1) Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest in relation to which the conditions in sub-paragraph (2) are met.
- (2) The conditions are that—
- (a) the higher threshold interest is acquired with the intention that it will be exploited as a source of income in the course of a qualifying trade, and
 - (b) reasonable commercial plans have been formulated to carry out that intention without delay (except so far as delay may be justified by commercial considerations or cannot be avoided).
- (3) “Qualifying trade”, in relation to a higher threshold interest, means a trade that—
- (a) is carried on on a commercial basis and with a view to profit, and
 - (b) involves, in its normal course, offering the public the opportunity to make use of, stay in or otherwise enjoy the dwelling as customers of the trade on at least 28 days in any calendar year.
- (4) For the purposes of sub-paragraph (3), persons are not considered to have the opportunity to make use of, stay in or otherwise enjoy a dwelling unless the areas that they have the opportunity to make use of, stay in or otherwise enjoy include a significant part of the interior of the dwelling.
- (5) The size (relative to the size of the whole dwelling), nature and function of any relevant area or areas in a dwelling are taken into account in determining whether they form a significant part of the interior of the dwelling.

Financial institutions acquiring dwellings in the course of lending

- 5C (1) Sub-paragraph (2) applies to a chargeable transaction if the purchaser is a financial institution carrying on a business that involves the lending of money.
- (2) Paragraph 3 does not apply to the chargeable transaction so far as its subject-matter consists of a higher threshold interest that is acquired in the course of that business—
- (a) for the purpose of resale in the course of the business and,
 - (b) in connection with those lending activities.

^{F17}Acquisition under a regulated home reversion plan

Textual Amendments

F17 Sch. 4A para. 5CA and cross-heading inserted (with effect in accordance with s. 130(4) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 130\(2\)](#)

- 5CA (1) Paragraph 3 does not apply to a chargeable transaction if (and so far as) the purchaser—

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- (a) is an authorised plan provider, and
 - (b) acquires the subject-matter of the chargeable transaction as a plan provider.
- (2) For the purposes of this paragraph the purchaser acquires the subject-matter of the chargeable transaction “as a plan provider” so far as the purchaser acquires it under a regulated home reversion plan which the purchaser enters into as plan provider.
- (3) In this paragraph—
- “authorised plan provider” means a person authorised under the Financial Services and Markets Act 2000 to carry on in the United Kingdom the regulated activity specified in article 63B(1) of the Regulated Activities Order (entering into regulated home reversion plan as plan provider);
 - “the Regulated Activities Order” means the Financial Services and Markets (Regulated Activities) Order 2001 (S.I. 2001/544);
 - “regulated home reversion plan” means an arrangement which is a regulated home reversion plan for the purposes of Chapter 15A of Part 2 of the Regulated Activities Order.
- (4) In this section references to entering into a regulated home reversion plan “as plan provider” are to be interpreted as if the references were in the Regulated Activities Order.]

[^{F18}Dwellings for occupation by certain employees etc of a relievable business]

Textual Amendments

F18 Sch. 4A para. 5D cross heading substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(3\)](#)

- 5D (1) Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest in relation to which the conditions in sub-paragraph (2) are met. Those conditions can only be met if the purchaser, or a relevant group member, carries on or is to carry on a relievable [^{F19}business].
- (2) The conditions are that—
- (a) the interest is acquired for the purpose of making the dwelling available to one or more qualifying employees or qualifying partners for use as living accommodation, and
 - (b) the dwelling is to be made available as mentioned in paragraph (a) for purposes that are solely or mainly purposes of the relievable [^{F20}business].
- (3) For the purposes of the relief under this paragraph it does not matter whether or not the individuals mentioned in sub-paragraph (2)(a) are identified at the time of the chargeable transaction.
- [^{F21}(4) “Relievable business” means a trade or property rental business that is run on a commercial basis and with a view to profit.]
- (5) In this paragraph references to making a dwelling available to a qualifying employee or qualifying partner include making it available to persons who are to share the accommodation with a qualifying employee or qualifying partner as that individual's family.

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- (6) Where the purchaser is a company, “relevant group member” means a company which is a member of the same group of companies as the purchaser for the purposes mentioned in paragraph 1(2) of Schedule 7 (group relief).

Textual Amendments

- F19** Word in Sch. 4A para. 5D(1) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(2\)\(a\)](#)
- F20** Word in Sch. 4A para. 5D(2)(b) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(2\)\(b\)](#)
- F21** Sch. 4A para. 5D(4) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(2\)\(c\)](#)

More about the condition in paragraph 5D(2)(a)

- 5E (1) In a case where the person carrying on the relievable [^{F22}business] mentioned in paragraph 5D(1) carries it on in partnership with one or more other persons, “qualifying partner” means any individual who is a member of the partnership.
- (2) “Qualifying employee” means an individual employed for the purposes of the [^{F23}relievable business].
- (3) In a case falling within sub-paragraph (1), the condition in paragraph 5D(2)(a) is taken not to be met if the individuals, or a class of individuals, to whom it is proposed to make the dwelling available for use as living accommodation include, or are likely to include, a member of the partnership who is (or will at the relevant time be) entitled to a 10% or greater share—
- (a) in the income profits of the partnership, or
 - (b) in any company beneficially entitled to the higher threshold interest mentioned in paragraph 5D(1), or
 - (c) in that higher threshold interest.
- (4) In addition, the condition in paragraph 5D(2)(a) is taken not to be met if the individuals, or a class of individuals, to whom it is proposed to make the dwelling available for use as living accommodation include, or are likely to include, an individual employed for the purposes of the [^{F24}relievable business] in question who is (or will at the relevant time be)—
- (a) entitled to a 10% or greater share—
 - (i) in the income profits of the [^{F25}relievable business], or
 - (ii) in any company that is beneficially entitled to the higher threshold interest, or
 - (iii) in that higher threshold interest, or
 - (b) employed to provide excluded domestic services.
- (5) The reference in sub-paragraph (4)(b) to an individual employed to provide excluded domestic services is to an individual the duties of whose employment include the provision of services in connection with the (actual or intended) occupation, by an individual to whom sub-paragraph (6) applies, of the dwelling mentioned in paragraph 5D(2)(a) (“the relevant dwelling”), or a linked dwelling.

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- (6) This sub-paragraph applies to any individual who is connected with a person who is or is to be beneficially entitled to the higher threshold interest.
- (7) The following are “linked” dwellings for the purposes of sub-paragraph (5)—
- (a) if the conditions in section 116(2) of the Finance Act 2013 are met in relation to the relevant dwelling and another dwelling, that other dwelling;
 - (b) a dwelling that is linked to the relevant dwelling, as described in section 117(1) of the Finance Act 2013.
- (8) For the purposes of sub-paragraphs (3)(c) and (4)(a) persons who are entitled to a chargeable interest as beneficial joint tenants (or, in Scotland, as joint owners) are taken to be entitled to the chargeable interest as beneficial tenants in common (or, in Scotland, as owners in common) in equal shares.
- (9) Section 147 of the Finance Act 2013 (meaning of “10% or greater share in a company”) applies for the purposes of this paragraph as for the purposes of section 146 of that Act.
- (10) In this paragraph references to employment include the holding of an office.

Textual Amendments

- F22** Word in Sch. 4A para. 5E(1) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(6\)\(a\)](#)
- F23** Word in Sch. 4A para. 5E(2) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(6\)\(b\)](#)
- F24** Words in Sch. 4A para. 5E(4) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(6\)\(c\)\(i\)](#)
- F25** Words in Sch. 4A para. 5E(4)(a)(i) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(6\)\(c\)\(ii\)](#)

^{F26} Acquisition by management company of flat for occupation by caretaker

Textual Amendments

- F26** Sch. 4A para. 5EA and cross-heading inserted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(4\)](#)

- 5EA (1) Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest in or over a flat which—
- (a) is one of at least three flats contained in the same premises, and
 - (b) is acquired by a tenants' management company for the purpose of making the flat available for use as caretaker accommodation.
- (2) For the purposes of this paragraph a tenants' management company makes a flat available for use “as caretaker accommodation” if it makes it available to an individual for use as living accommodation in connection with the individual's employment as caretaker of the premises.
- (3) In relation to the acquisition of a flat, a company is a “tenants' management company” if—

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- (a) the tenants of two or more other flats contained in the premises are members of the company, and
- (b) the company owns, or it is intended that the company will acquire, the freehold of the premises;

but a company which carries on a relievable business is not a tenants' management company.

- (4) In this paragraph “premises” means premises constituting the whole or part of a building.]

Farmhouses

- 5F (1) Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest in or over a dwelling—
- (a) that is, or is to be, a farmhouse, and
 - (b) in relation to which the conditions in sub-paragraph (3) are met.
- (2) The reference in sub-paragraph (1) to a dwelling that “is or is to be a farmhouse” is to a dwelling that forms part of land that is to be occupied, or to continue to be occupied, for the purposes of a qualifying trade of farming.
- (3) The conditions are that—
- (a) the dwelling is to be occupied for the purposes of that trade by a qualifying farm worker,
 - (b) reasonable commercial plans have been formulated under which such occupation is either to continue from the effective date of the chargeable transaction or to begin without delay (except so far as delay may be justified by commercial considerations or cannot be avoided), and
 - (c) occupation of the farmhouse by a qualifying farm worker is then expected to continue as part of the normal way in which the trade is, or is to be, carried on.
- (4) In sub-paragraph (3) “qualifying farm worker” means an individual who occupies the dwelling for the purposes of the trade mentioned in that sub-paragraph and has a substantial involvement—
- (a) in the day-to-day work of the trade, or
 - (b) in the direction and control of the conduct of the trade.
- (5) “Qualifying trade of farming” means a trade of farming that is carried on—
- (a) on a commercial basis, and
 - (b) with a view to profit.
- (6) A person occupying part of a dwelling is regarded as occupying the dwelling for the purposes of this paragraph.
- (7) In this paragraph—
- (a) “farming” has the same meaning as in the Corporation Tax Acts (see section 1125 of CTA 2010), except that in this paragraph “farming” includes market gardening;
 - (b) “market gardening” has the same meaning as in the Corporation Tax Acts (see section 1125(5) of CTA 2010).

Status: Point in time view as at 11/07/2023.

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[^{F27}Qualifying housing co-operatives

Textual Amendments

F27 Sch. 4A para. 5FA inserted (with effect in accordance with s. 89(4) of the amending Act) by Finance Act 2021 (c. 26), s. 89(1)

5FA Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest that is acquired by a company on a day on which the company is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED).]

Withdrawal of relief

- 5G (1) Sub-paragraph (2) applies where relief under paragraph 5 has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) a requirement in sub-paragraph (3) is not met.
- (3) The requirements are that—
- (a) the higher threshold interest (if still held by the purchaser) is held exclusively for one or more of the purposes mentioned in paragraph 5(1),
 - (b) any chargeable interest derived from the higher threshold interest that may be held by the purchaser is held exclusively for one or more of those purposes, and
 - (c) (if the higher threshold interest or a chargeable interest derived from it is held by the purchaser) no non-qualifying individual is permitted to occupy [^{F28}any dwelling on the land].
- (4) The requirements in sub-paragraph (3)(a) and (b) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect the purposes for which the higher threshold interest was acquired to be carried out.
- (5) Sub-paragraph (6) applies if a higher threshold interest was acquired for a purpose mentioned in paragraph 5(1) but at some time in the control period the activity in question (for instance, exploitation of the interest as mentioned in paragraph 5(1) (a))—
- (a) has not yet begun, or
 - (b) has ceased.
- (6) For the purposes of sub-paragraph (3), the interest is taken to be held for the purpose in question only if reasonable steps are being taken to ensure that the purpose in question is carried out.
- (7) In this paragraph “non-qualifying individual” (in relation to the chargeable transaction mentioned in sub-paragraph (1)) has the meaning given by paragraph 5A.

Status: Point in time view as at 11/07/2023.

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Textual Amendments

F28 Words in Sch. 4A para. 5G(3)(c) substituted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(3\)](#)

- 5H (1) This paragraph applies where relief under paragraph 5B (trades involving making a dwelling open to the public) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) a requirement in sub-paragraph (3) is not met.
- (3) The requirements are that—
- (a) the higher threshold interest (if still held by the purchaser), is being exploited as a source of income in the course of a qualifying trade, and
 - (b) any chargeable interest derived from that interest that may be held by the purchaser is being exploited as mentioned in paragraph (a).
- (4) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser’s control, it is not reasonable to expect the chargeable interest concerned to be exploited in the manner specified.
- (5) Sub-paragraph (6) applies if at some time in the control period the higher threshold interest, or a chargeable interest derived from it—
- (a) has not begun to be exploited as mentioned in sub-paragraph (3), or
 - (b) has ceased to be so exploited.
- (6) The requirements in sub-paragraph (3) are treated as being met if reasonable steps are being taken to ensure that the chargeable interest in question begins to be exploited as mentioned in that sub-paragraph, or that such exploitation of the interest is resumed.
- 5I (1) This paragraph applies where relief under paragraph 5C (financial institutions acquiring dwellings in the course of lending) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if any requirement in sub-paragraph (3) is not met at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
- (a) the purchaser continues to be a financial institution carrying on a business that involves the lending of money, and
 - (b) the interest is held for the purpose of resale in the course of the business.
- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
- (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.

Status: Point in time view as at 11/07/2023.

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- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect those requirements to be met.
- [^{F29}51A (1) This paragraph applies where relief under paragraph 5CA (acquisition under a regulated home reversion plan) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction the purchaser holds the higher threshold interest otherwise than for the purposes of the regulated home reversion plan (as defined in paragraph 5CA).
- (3) But sub-paragraph (2) does not apply if—
- (a) after ceasing to hold the higher threshold interest for the purposes of the regulated home reversion plan, the purchaser sells the higher threshold interest without delay (except so far as delay is justified by commercial considerations or cannot be avoided), and
 - (b) at no time when the higher threshold interest is held by the purchaser as mentioned in sub-paragraph (2) is the dwelling (or any part of the dwelling) occupied by a non-qualifying individual.
- (4) In this paragraph—
- “the dwelling” means the dwelling to which the relief under paragraph 5CA relates;
- “non-qualifying individual” is to be interpreted in accordance with paragraph 5A.]

Textual Amendments

F29 Sch. 4A para. 51A inserted (with effect in accordance with s. 130(4) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 130\(3\)](#)

- 5J (1) This paragraph applies where relief under paragraph 5D (dwellings for occupation by certain employees etc) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if any requirement in sub-paragraph (3) is not met at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
- (a) the purchaser, or a relevant group member (as defined in paragraph 5D(6)), carries on a [^{F30}relievable business],
 - (b) the dwelling is made available as mentioned in paragraph 5D(2)(a), and
 - (c) the dwelling is made so available for purposes that are solely or mainly purposes of the [^{F31}relievable business].
- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
- (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.

Status: Point in time view as at 11/07/2023.

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- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect those requirements to be met.
- (6) Sub-paragraph (7) applies if at some time in the control period the dwelling—
 - (a) has not begun to be made available as mentioned in sub-paragraph (3)(b) and (c), or
 - (b) has ceased to be so made available.
- (7) The requirements in paragraphs (b) and (c) of sub-paragraph (3) are treated as being met if reasonable steps are being taken to ensure that the dwelling will begin to be, or will return to being, available as mentioned in those paragraphs.

Textual Amendments

- F30** Words in Sch. 4A para. 5J(3)(a) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(7\)\(a\)](#)
- F31** Words in Sch. 4A para. 5J(3)(c) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(7\)\(b\)](#)

- [^{F32}5JA (1) This paragraph applies where relief under paragraph 5EA (acquisition by management company of flat for occupation by caretaker) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction the purchaser holds the higher threshold interest otherwise than for the purpose of making the flat available for use as caretaker accommodation.
- (3) For the purposes of this paragraph a tenants' management company makes a flat available for use “as caretaker accommodation” if it makes it available to an individual for use as living accommodation in connection with the individual's employment as caretaker of the premises.]

Textual Amendments

- F32** Sch. 4A para. 5JA inserted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(5\)](#)

- 5K (1) This paragraph applies where relief under paragraph 5F (farmhouses) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) the requirements in sub-paragraph (3) are not met (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
 - (a) the land mentioned in paragraph 5F(2) is occupied for the purposes of a qualifying trade of farming, and
 - (b) the dwelling is occupied for the purposes of that trade by a qualifying farm worker.

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- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
 - (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.
- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect those requirements to be met.
- (6) Sub-paragraph (7) applies if at some time in the control period a requirement in sub-paragraph (3)—
 - (a) has not begun to be met, or
 - (b) has ceased to be met.
- (7) The requirement is treated as being met if reasonable steps are being taken to ensure that the requirement begins to be met, or is again met.]
- [^{F33}5L (1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) References in this paragraph to a qualifying housing body are to—
 - (a) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
 - (b) a registered provider of social housing, or
 - (c) a registered social landlord.
- (3) The relief under paragraph 5FA is withdrawn (subject to sub-paragraph (4)) if—
 - (a) on any day in the period of three years beginning with the effective date of the chargeable transaction (“the control period”), the purchaser is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the purchaser still holds the higher threshold interest or holds a chargeable interest derived from it.
- (4) If, on any day in the control period, the purchaser is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—
 - (a) another person (“the first successor”) has succeeded to the engagements of the purchaser, and
 - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (7)).
- (5) Condition A is that, on the day the first successor succeeds to the engagements of the purchaser (“the day of succession”), the first successor is not a qualifying housing body.
- (6) Condition B is that—
 - (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and

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- (b) immediately before the first day on which that is the case the first successor still holds the higher threshold interest or holds a chargeable interest derived from it.
- (7) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue of sub-paragraph (4) if references in sub-paragraphs (4) to (6)—
 - (a) to the purchaser were references to the first successor, and
 - (b) to the first successor were references to the person who has succeeded to the engagements of the first successor (“the second successor”).
- (8) Sub-paragraph (7) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.]

Textual Amendments

F33 Sch. 4A para. 5L inserted (with effect in accordance with s. 89(4) of the amending Act) by Finance Act 2021 (c. 26), s. 89(2)

Partnerships: application of paragraph 2 to certain transactions

- 6
- (1) Sub-paragraphs (2) and (3) apply where the subject-matter of a transaction to which Part 3 of Schedule 15 applies consists of or includes a higher threshold interest.
 - (2) The transaction is not to be treated as a high-value residential transaction by virtue of paragraph 2(2) unless the chargeable consideration for the transaction is more than [^{F34}£500,000].
 - (3) Paragraph 2(3) to (8) does not apply to the transaction if—
 - (a) the subject-matter of the transaction includes a chargeable interest other than a higher threshold interest, and
 - (b) the result of applying paragraph 2(3) and (4) would be that chargeable consideration of [^{F35}£500,000] or less would be attributable to the separate transaction mentioned in paragraph 2(3)(a).
 - (4) For the purposes of sub-paragraph (1) and paragraph 2, the subject-matter (and the main subject-matter) of a transfer of an interest in a partnership that is a chargeable transaction by virtue of sub-paragraph (2) of paragraph 14 of Schedule 15 is—
 - (a) if the transfer is a Type A transfer, the relevant partnership property as defined in sub-paragraph (5) of that paragraph, or
 - (b) if the transfer is a Type B transfer, the relevant partnership property as defined in sub-paragraph (5A) of that paragraph.
 - (5) For the purposes of sub-paragraph (1) and paragraph 2, the subject-matter (and the main subject-matter) of a transfer of an interest in a partnership that is a chargeable transaction by virtue of sub-paragraph (2) of paragraph 17 of Schedule 15 is the subject-matter of the land transfer referred to in sub-paragraph (1)(a) of that paragraph.
 - (6) For the purposes of sub-paragraph (1) and paragraph 2, the subject-matter (and the main subject-matter) of a chargeable transaction that is treated as occurring by virtue

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of sub-paragraph (4) of paragraph 17A of Schedule 15 is the subject-matter of the land transfer referred to in sub-paragraph (1)(a) of that paragraph.

Textual Amendments

- F34** Word in Sch. 4A para. 6(2) substituted (with effect in accordance with s. 111(4)-(6) of the amending Act) by Finance Act 2014 (c. 26), s. 111(3)(b)
- F35** Word in Sch. 4A para. 6(3)(b) substituted (with effect in accordance with s. 111(4)-(6) of the amending Act) by Finance Act 2014 (c. 26), s. 111(3)(c)

F³⁶ Modifications for cases involving alternative finance arrangements

Textual Amendments

- F36** Sch. 4A paras. 6A-6H and cross-headings inserted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by Finance Act 2013 (c. 29), Sch. 40 para. 2(5)

- 6A (1) This paragraph applies where—
- (a) section 71A (land sold to financial institution and leased to person), section 72 (land in Scotland sold to financial institution and leased to person) or section 73 (land sold to financial institution and re-sold to person) applies, and
 - (b) the major interest in land purchased under the first transaction consists of or includes a higher threshold interest.
- (2) In this paragraph “the first transaction” means—
- (a) where section 71A applies, the transaction mentioned in section 71A(1)(a);
 - (b) where section 72 applies, the transaction mentioned in section 72(1)(a);
 - (c) where section 73 applies, the transaction mentioned in section 73(1)(a)(i).
- (3) The condition in paragraph 3(3) is treated as being met with respect to the first transaction only if that condition is met with respect to the second transaction.
- (4) If the second transaction would qualify for relief under any of paragraphs 5(1), 5B(1), 5D(1) [^{F37}, 5F(1) and 5FA] (disregarding the exemptions in sections 71A(3), 72(3) and 73(3) and assuming, for this purpose, that the subject-matter of the second transaction is a higher threshold interest), the first transaction is taken to qualify for relief under the same provision (and accordingly paragraph 3 does not apply in relation to the first transaction).
- (5) The first transaction does not qualify for relief under any of paragraphs 5(1), 5B(1), 5D(1) [^{F38}, 5F(1) or 5FA] except in accordance with sub-paragraph (4).
- (6) In this paragraph “the second transaction” has the same meaning as in section 71A, 72 or 73 (as the case requires).

Textual Amendments

- F37** Words in Sch. 4A para. 6A(4) substituted (with effect in accordance with s. 89(4) of the amending Act) by Finance Act 2021 (c. 26), Sch. 17 para. 7(3)(a)

Status: Point in time view as at 11/07/2023.

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F38 Words in [Sch. 4A para. 6A\(5\)](#) substituted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\), Sch. 17 para. 7\(3\)\(b\)](#)

- 6B (1) This paragraph applies where section 72A (land in Scotland sold to financial institution and person in common) applies and the major interest in land purchased under the transaction mentioned in section 72A(1)(a) (“the first transaction”) consists of or includes a higher threshold interest.
- (2) In determining whether or not the first transaction meets the condition in paragraph 3(3) it is to be assumed that the financial institution referred to in section 72A(1) is not one of the persons acquiring the major interest in land under that transaction.
- (3) Paragraphs 5 to 5F have effect in relation to the first transaction as they would have effect if the financial institution were not a purchaser under that transaction.

Paragraphs 6A and 6B: application where transaction is split under paragraph 2(3)

- 6C (1) Where paragraph 6A or 6B (“the modifying paragraph”) applies and the first transaction (within the meaning of that paragraph) is treated under paragraph 2(3) as two separate chargeable transactions, references in the modifying paragraph to the first transaction include those separate transactions.
- (2) If the subject-matter of the second transaction (within the meaning of paragraph 6A) includes a chargeable interest other than a higher threshold interest, that fact is ignored in determining for the purposes of paragraph 6A—
- (a) whether that transaction meets the condition in paragraph 3(3), or
- (b) whether it would qualify for relief under any of paragraphs 5(1), 5B(1), 5D(1) ^{F39}, 5F(1) and 5FA].

Textual Amendments

F39 Words in [Sch. 4A para. 6C\(2\)\(b\)](#) substituted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\), Sch. 17 para. 7\(4\)](#)

Alternative finance arrangements: withdrawal of relief

- 6D (1) This paragraph applies where relief under paragraph 5 (businesses of letting, trading in or redeveloping properties) has been allowed, in accordance with paragraph 6A(4) or 6B(3), with respect to the purchase of a major interest in land.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the first transaction (“the control period”) a relevant requirement is not met.
- (3) The relevant requirements are that—
- (a) any relevant interest (see sub-paragraphs (5) and (6)) held by the relevant person is held by that person exclusively for one or more of the purposes mentioned in paragraph 5(1), and
- (b) (if a relevant interest is held by the relevant person) no non-qualifying individual is permitted to occupy ^{F40}any dwelling on the land concerned].
- (4) For the purposes of sub-paragraph (3)(a) and (b) it does not matter whether the relevant interest is held by the relevant person—

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- (a) jointly or (in Scotland) in common, or
 - (b) otherwise.
- (5) In relation to relief allowed in accordance with sub-paragraph 6A(4), “relevant interest” means any of the following—
- (a) the interest acquired under the second transaction (within the meaning of paragraph 6A);
 - (b) any interest transferred to the relevant person as a result of the exercise of the right mentioned in section 71A(1)(d) or 72(1)(c);
 - (c) any chargeable interest derived from an interest such as is mentioned in paragraph (a) or (b).
- (6) In relation to relief allowed in accordance with paragraph 6B(3), “relevant interest” means any of the following—
- (a) the interest purchased under the first transaction (within the meaning of paragraph 6B);
 - (b) any interest transferred to the relevant person as a result of the exercise of the right mentioned in section 72A(1)(c);
 - (c) any chargeable interest derived from an interest such as is mentioned in paragraph (a) or (b).
- (7) In this paragraph—
- “non-qualifying individual” (in relation to the chargeable transaction mentioned in sub-paragraph (1)) has the meaning given by paragraph 5A;
 - “the relevant person” means the person (other than the financial institution) who entered into the arrangements in question as mentioned in section 71A(1), 72(1), 72A(1) or 73(1).

Textual Amendments

F40 Words in Sch. 4A para. 6D(3)(b) substituted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(4\)](#)

- 6E (1) The requirement in paragraph 6D(3)(a) does not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the relevant person's control, it is not reasonable to expect the interest in question to be held for the purpose for which the relevant person acquired that person's initial interest.
- (2) Sub-paragraph (3) applies if the relevant person's initial interest was acquired by the relevant person for a purpose mentioned in paragraph 5(1), but at some time in the control period the activity in question (for instance, exploitation as mentioned in paragraph 5(1)(a))—
- (a) has not begun in the case of a relevant interest, or
 - (b) has ceased in the case of a relevant interest.
- (3) For the purposes of paragraph 6D(3)(a) the relevant interest is taken to be held for the purpose in question only if reasonable steps are being taken to ensure that the purpose in question is carried out.
- (4) In this paragraph—
- (a) “the control period”, “relevant interest” and “the relevant person” have the same meaning as in paragraph 6D;

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- (b) references to the relevant person's "initial interest" are to the interest mentioned in sub-paragraph (5)(a) or (6)(a) of paragraph 6D (as the case requires).
- 6F (1) This paragraph applies where relief under paragraph 5B (trades involving making a dwelling open to the public) has been allowed, in accordance with paragraph 6A(4) or 6B(3), with respect to the purchase of a major interest in land.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the first transaction ("the control period") the requirement in sub-paragraph (3) is not met.
- (3) The requirement is that the dwelling is being exploited as a source of income in the course of a qualifying trade.
- (4) The requirement in sub-paragraph (3) does not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the relevant person's control, it is not reasonable to expect the interest in question to be exploited as mentioned in that sub-paragraph.
- (5) Sub-paragraph (6) applies if at some time in the control period that person—
- (a) has not begun to exploit the interest as a source of income in the course of a relevant trade, or
- (b) has ceased so to exploit it.
- (6) The requirement in sub-paragraph (3) is treated as being met if reasonable steps are being taken to ensure that the relevant interest begins to be exploited as mentioned in that sub-paragraph, or that such exploitation of the interest is resumed.
- (7) In this paragraph—
- (a) "the relevant person" means the person (other than the financial institution) who enters into the arrangements mentioned in section 71A(1), 72(1), 72A(1) or 73(1);
- (b) references to a major interest in land include an undivided share in a major interest in land.
- 6G (1) This paragraph applies where relief under paragraph 5D (dwellings for occupation by certain employees etc) has been allowed, in accordance with paragraph 6A(4) or 6B(3), with respect to the purchase of a major interest in land.
- (2) The relief is withdrawn if at any time in the control period when the relevant person holds a relevant interest (whether jointly, or in common, or otherwise) any requirement in sub-paragraph (4) is not met.
- (3) In sub-paragraph (2) "the control period" means the three years beginning with the effective date of the first transaction.
- (4) The requirements are that—
- (a) the relevant person, or a relevant group member, carries on a [^{F41}relievable business],
- (b) the dwelling is made available as mentioned in paragraph 5D(2)(a), and
- (c) the dwelling is made so available for purposes that are solely or mainly purposes of the [^{F42}relievable business] mentioned in sub-paragraph (a).

Status: Point in time view as at 11/07/2023.

Changes to legislation: Finance Act 2003, SCHEDULE 4A is up to date with all changes known to be in force on or before 15 June 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)

- (5) The requirements in sub-paragraph (4) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the relevant person's control, it is not reasonable to expect those requirements to be met.
- (6) Sub-paragraph (7) applies if at some time in the control period the relevant interest—
 - (a) has not begun to be made available as mentioned in sub-paragraph (4)(b) and (c), or
 - (b) has ceased to be so made available.
- (7) The requirements in paragraphs (b) and (c) of sub-paragraph (4) are treated as being met if reasonable steps are being taken to ensure that the dwelling will begin to be, or will return to being, made available as mentioned in those paragraphs.
- (8) Where the relevant person is a company, “relevant group member” means a company which is a member of the same group of companies as the relevant person for the purposes mentioned in paragraph 1(2) of Schedule 7.
- (9) In this paragraph—
 - (a) “relevant interest” has the same meaning as in paragraph 6D;
 - (b) “the relevant person” means the person (other than the financial institution) who enters into the arrangements mentioned in section 71A(1), 72(1), 72A(1) or 73(1);
 - (c) references to a major interest in land include an undivided share in a major interest in land.

Textual Amendments

- F41** Words in Sch. 4A para. 6G(4)(a) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(8\)\(a\)](#)
- F42** Words in Sch. 4A para. 6G(4)(c) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(8\)\(b\)](#)

- 6H (1) This paragraph applies where relief under paragraph 5F (farmhouses) has been allowed, in accordance with paragraph 6A(4) or 6B(3), in relation to the purchase of a major interest in land.
- (2) The relief is withdrawn if at any time in the control period when the relevant person holds a relevant interest (whether jointly, or in common, or otherwise) any requirement in sub-paragraph (4) is not met.
- (3) In sub-paragraph (2) “the control period” means the three years beginning with the effective date of the first transaction.
- (4) The requirements are that—
 - (a) the land mentioned in paragraph 5F(2) is occupied for the purposes of a qualifying trade of farming, and
 - (b) the dwelling is occupied for the purposes of that trade by a qualifying farm worker.
- (5) The requirements in sub-paragraph (4) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the relevant person's control, it is not reasonable to expect those requirements to be met.

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- (6) Sub-paragraph (7) applies if at some time in the control period a requirement in sub-paragraph (4)—
 - (a) has not begun to be met, or
 - (b) has ceased to be met.
- (7) The requirement is treated as being met if reasonable steps are being taken to ensure that the requirement begins to be met, or is again met.
- (8) In this paragraph—
 - (a) “the relevant interest” has the same meaning as in paragraph 6D;
 - (b) “the relevant person” means the person (other than the financial institution) who enters into the arrangements mentioned in section 71A(1), 72(1), 72A(1) or 73(1);
 - (c) references to a major interest in land include an undivided share in a major interest in land.]
- [^{F43}6I (1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed, in accordance with paragraph 6A(4), in relation to the purchase of a major interest in land.
- (2) The relief is withdrawn (subject to sub-paragraph (3)) if—
 - (a) on any day in the period of three years beginning with the effective date of the first transaction (“the control period”), the relevant person is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the relevant person holds a relevant interest (whether jointly, or in common, or otherwise).
- (3) If, on any day in the control period, the relevant person is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—
 - (a) another person (“the first successor”) has succeeded to the engagements of the relevant person, and
 - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (6)).
- (4) Condition A is that, on the day the first successor succeeds to the engagements of the relevant person (“the day of succession”), the first successor is not a qualifying housing body.
- (5) Condition B is that—
 - (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the first successor still holds a relevant interest (whether jointly, or in common, or otherwise).
- (6) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue of sub-paragraph (3) if references in sub-paragraphs (3) to (5)—
 - (a) to the relevant person were references to the first successor, and
 - (b) to the first successor were references to the person who has succeeded to the engagements of the first successor (“the second successor”).

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- (7) Sub-paragraph (6) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.
- (8) In this paragraph—
- (a) “qualifying housing body” means—
 - (i) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
 - (ii) a registered provider of social housing, or
 - (iii) a registered social landlord;
 - (b) “relevant interest” has the same meaning as in paragraph 6D;
 - (c) “the relevant person” means the person (other than the financial institution) who enters into the arrangements mentioned in section 71A(1) or 73(1);
 - (d) references to a major interest include an undivided share in a major interest in land.]

Textual Amendments

F43 Sch. 4A para. 61 inserted (with effect in accordance with s. 89(4) of the amending Act) by Finance Act 2021 (c. 26), Sch. 17 para. 7(5)

Meaning of “dwelling”

- 7 (1) This paragraph sets out rules for determining what counts as a dwelling for the purposes of this Schedule.
- (2) A building or part of a building counts as a dwelling if—
- (a) it is used or suitable for use as a single dwelling, or
 - (b) it is in the process of being constructed or adapted for such use.
- (3) Land that is, or is to be, occupied or enjoyed with a dwelling as a garden or grounds (including any building or structure on such land) is taken to be part of that dwelling.
- (4) Land that subsists, or is to subsist, for the benefit of a dwelling is taken to be part of the dwelling.
- (5) The subject-matter of a transaction is also taken to include an interest in a dwelling if—
- (a) substantial performance of a contract constitutes the effective date of that transaction by virtue of a relevant deeming provision,
 - (b) the main subject-matter of the transaction consists of or includes an interest in a building, or a part of a building, that is to be constructed or adapted under the contract for use as a single dwelling, and
 - (c) construction or adaptation of the building, or part of the building, has not begun by the time the contract is substantially performed.
- (6) In sub-paragraph (5) “contract”, “relevant deeming provision” and “substantially performed” have the same meaning as in paragraph 7(5) of Schedule 6B.
- (7) A building or part of a building used for a purpose specified in section 116(2) or (3) is not used as a dwelling for the purposes of sub-paragraph (2) or (5).

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- (8) Where a building or part of a building is used for a purpose mentioned in sub-paragraph (7), no account is to be taken for the purposes of sub-paragraph (2) of its suitability for any other use.
- 8 (1) The Treasury may by order amend paragraph 7 so as to specify cases where use of a building is to be use of a building as a dwelling for the purposes of sub-paragraph (2) or (5) of that paragraph.
- (2) The reference in section 116(8)(a) (power to amend section 116(2) and (3)) to “the purposes of subsection (1)” includes a reference to the purposes of paragraph 7(2) and (5).

Interpretation

- 9 In this Schedule—
- “appurtenant rights”, in relation to a chargeable interest that is, or is part of, the subject-matter of a transaction, means any rights or interests appurtenant or pertaining to the chargeable interest that are acquired with it;
- “attributable” means attributable on a just and reasonable basis;
- “collective investment scheme” has the same meaning as in Part 17 of the Financial Services and Markets Act 2000 (see section 235 of that Act);
- “company” means a body corporate other than a partnership.
- [^{F44}“financial institution” is to be read in accordance with subsections (1) and (2) of section 73BA and, in paragraphs 6A to [^{F45}6I], also in accordance with subsection (3) of that section;]
- [^{F46}“property development trade ” has the meaning given by paragraph 5(3);]
- [^{F46}“property rental business” has the meaning given by section 133(4) of the Finance Act 2013;]
- [^{F46}“property trading business attributable” has the meaning given by paragraph 5(3);]
- [^{F46}“qualifying farm worker” has the meaning given by paragraph 5F(4);]
- [^{F46}“qualifying trade” has the meaning given by paragraph 5B(3);]
- [^{F46}“qualifying trade of farming” has the meaning given by paragraph 5F(5);]
- [^{F47}“relievable business” has the meaning given by paragraph 5D(4).]]

Textual Amendments

- F44** Words in Sch. 4A para. 9 substituted (26.3.2015) by [Finance Act 2015 \(c. 11\), s. 68\(3\)](#)
- F45** Word in [Sch. 4A para. 9](#) substituted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\), Sch. 17 para. 7\(6\)](#)
- F46** Words in Sch. 4A para. 9 inserted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 40 para. 2\(6\)](#)
- F47** Words in Sch. 4A para. 9 inserted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(9\)](#)

Status:

Point in time view as at 11/07/2023.

Changes to legislation:

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