



Finance Act 2003

2003 CHAPTER 14

PART 5

STAMP DUTY

126 Circumstances in which group relief withdrawn

- (1) Section 111 of the Finance Act 2002 (c. 23) (stamp duty: withdrawal of group relief) is amended as follows.
- (2) In subsection (1)(b) (circumstances in which relief withdrawn: transferee company ceasing to be member of group within two years) for “two years” substitute “ three years ”.
- (3) In subsection (1)(c) (circumstances in which relief withdrawn: transferee company holding estate or interest when it ceases to be member of group)—
 - (a) in the opening words—
 - (i) for “it ceases” substitute “ the transferee company ceases ”, and
 - (ii) for “it holds” substitute “ it or a relevant associated company holds ”;
 - (b) in sub-paragraph (i) for “to it” substitute “ to the transferee company ”; and
 - (c) for the closing words substitute “ and that has not subsequently been transferred at market value by a duly stamped instrument on which *ad valorem* duty was paid and in respect of which group relief was not claimed ”.
- (4) In subsection (3)—
 - (a) after “transferred” insert “ to the transferee company ”, and
 - (b) for “what the transferee company holds at the time it ceases to be a member” substitute “ what is held by that company or, as the case may be, that company and any relevant associated companies, at the time it or they cease to be members ”.
- (5) After subsection (4) insert—

“(4A) In this section “relevant associated company”, in relation to the transferee company, means a company that—

Status: Point in time view as at 15/04/2003.

Changes to legislation: Finance Act 2003, Section 126 is up to date with all changes known to be in force on or before 15 July 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)

- (a) is a member of the same group as the transferee company immediately before that company ceases to be a member of the same group as the transferor company, and
 - (b) ceases to be a member of the same group as the transferor company in consequence of the transferee company so ceasing.”.
- (6) In paragraph 4(3) of Schedule 34 to the Finance Act 2002 (c. 23) (withdrawal of group relief: supplementary provisions), in paragraph (b)—
 - (a) in the opening words—
 - (i) for “it ceases” substitute “ the transferee company ceases ”, and
 - (ii) for “it holds” substitute “ it or a relevant associated company (as defined in sub-paragraph (4) below) holds ”;
 - (b) in sub-paragraph (i) for “to it” substitute “ to the transferee company ”; and
 - (c) for the closing words substitute “ and that has not subsequently been transferred at market value by a duly stamped instrument on which *ad valorem* duty was paid and in respect of which group relief was not claimed ”.
- (7) In the closing words of that sub-paragraph, for the words from “as if” to the end substitute “ as if the transferee had then ceased to be a member of the same group as the transferor company and had then held the estate or interest referred to in paragraph (b). ”.
- (8) After that sub-paragraph insert—
 - “(4) In sub-paragraph (3)(b) “relevant associated company”, in relation to the transferee company, means a company that is in the same group as the transferee company immediately before the transferee company ceases to be a member of the new group and which ceases to be a member of the new group in consequence of the transferee company so ceasing.”.
- (9) This section applies to instruments executed after 14th April 2003.
- (10) But this section does not apply to an instrument giving effect to a contract made on or before 9th April 2003, unless—
 - (a) the instrument is made in consequence of the exercise after that date of any option, right of pre-emption or similar right, or
 - (b) the instrument transfers the property in question to, or vests it in, a person other than the purchaser under the contract because of an assignment (or, in Scotland, assignation) or further contract made after that date.
- (11) This section shall be deemed to have come into force on 15th April 2003.

Status:

Point in time view as at 15/04/2003.

Changes to legislation:

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