



Finance Act 2003

2003 CHAPTER 14

PART 4

STAMP DUTY LAND TAX

Reliefs

[^{F1}71A Alternative property finance: land sold to financial institution and leased to ^{F2}person]

- (1) This section applies where arrangements are entered into between [^{F3}a person] and a financial institution under which—
 - (a) the institution purchases a major interest in land or an undivided share of a major interest in land (“the first transaction”),
 - (b) where the interest purchased is an undivided share, the major interest is held on trust for the institution and the [^{F2}person] as beneficial tenants in common,
 - (c) the institution (or the person holding the land on trust as mentioned in paragraph (b)) grants to the [^{F2}person] out of the major interest a lease (if the major interest is freehold) or a sub-lease (if the major interest is leasehold) (“the second transaction”), and
 - (d) the institution and the [^{F2}person] enter into an agreement under which the [^{F2}person] has a right to require the institution or its successor in title to transfer to the [^{F2}person] (in one transaction or a series of transactions) the whole interest purchased by the institution under the first transaction.
- (2) The first transaction is exempt from charge if the vendor is—
 - (a) the [^{F2}person], or
 - (b) another financial institution by whom the interest was acquired under arrangements of the kind mentioned in subsection (1) entered into between it and the [^{F2}person].
- (3) The second transaction is exempt from charge if the provisions of this Part relating to the first transaction are complied with (including the payment of any tax chargeable).

Status: Point in time view as at 19/07/2011. This version of this provision has been superseded.

Changes to legislation: Finance Act 2003, Section 71A is up to date with all changes known to be in force on or before 14 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)

- (4) Any transfer to the [^{F2}person] that results from the exercise of the right mentioned in subsection (1)(d) (“a further transaction”) is exempt from charge if—
- (a) the provisions of this Part relating to the first and second transactions are complied with, and
 - (b) at all times between the second transaction and the further transaction—
 - (i) the interest purchased under the first transaction is held by a financial institution so far as not transferred by a previous further transaction, and
 - (ii) the lease or sub-lease granted under the second transaction is held by the [^{F2}person].
- (5) The agreement mentioned in subsection (1)(d) is not to be treated—
- (a) as substantially performed unless and until the whole interest purchased by the institution under the first transaction has been transferred (and accordingly section 44(5) does not apply), or
 - (b) as a distinct land transaction by virtue of section 46 (options and rights of pre-emption).
- [^{F4}(6) The requirements of subsection (1), or (4)(b)(ii), are not met if—
- (a) the [^{F2}person] enters into the arrangement, or holds the lease or sub-lease, as trustee and any beneficiary of the trust is not [^{F3}a person], or
 - (b) the [^{F2}person] enters into the arrangements, or holds the lease or sub-lease, as partner and any of the other partners is not [^{F3}a person].]
- (7) A further transaction that is exempt from charge by virtue of subsection (4) is not a notifiable transaction unless the transaction involves the transfer to the [^{F2}person] of the whole interest purchased by the institution under the first transaction, so far as not transferred by a previous further transaction.
- [^{F5}(8)]
- (9) References in this section to [^{F3}a person] shall be read, in relation to times after the death of the [^{F2}person] concerned, as references to his personal representatives.
- (10) This section does not apply in relation to land in Scotland.]

Textual Amendments

- F1** S. 71A inserted (with effect in accordance with Sch. 8 para. 7 of the amending Act) by [Finance Act 2005 \(c. 7\)](#), [Sch. 8 para. 2](#)
- F2** Word in ss. 71A-73 substituted (with effect in accordance with s. 168(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 168\(1\)](#)
- F3** Words in ss. 71A-73 substituted (with effect in accordance with s. 168(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 168\(1\)](#)
- F4** S. 71A(6) ceased to have effect (with effect in accordance with s. 168(5) of the amending Act) by virtue of [Finance Act 2006 \(c. 25\)](#), [s. 168\(2\)](#)
- F5** S. 71A(8) omitted (with effect in accordance with Sch. 21 para. 6 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 21 para. 3\(1\)](#)

Status:

Point in time view as at 19/07/2011. This version of this provision has been superseded.

Changes to legislation:

Finance Act 2003, Section 71A is up to date with all changes known to be in force on or before 14 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.