



# Finance Act 2013

## 2013 CHAPTER 29

### PART 3

#### ANNUAL TAX ON ENVELOPED DWELLINGS

##### *Alternative property finance*

#### **157 Land sold to financial institution and leased to person**

- (1) This section applies where—
  - (a) section 71A of FA 2003 (land sold to financial institution and leased to person) or section 72 of that Act (land in Scotland sold to financial institution and leased to person) applies in relation to arrangements entered into between a financial institution and another person (“the lessee”), and
  - (b) the land in which the institution purchases a major interest under the first transaction consists of or includes one or more dwellings (or parts of a dwelling).
- (2) If the lessee is a company, this Part has effect in relation to times when the arrangements are in operation as if—
  - (a) the interest held by the financial institution as mentioned in subsection (3)(b) were held by the lessee (and not by the financial institution), and
  - (b) the lease or sub-lease granted under the second transaction had not been granted.
- (3) The reference in subsection (2) to times when the arrangements are in operation is to times when—
  - (a) the lessee holds the leasehold interest granted to it under the second transaction, and
  - (b) the interest purchased under the first transaction (or that interest except so far as transferred by a further transaction) is held by a financial institution.
- (4) A company treated under subsection (2)(a) as holding an interest at a particular time is treated as holding it as a member of a partnership if at the time in question the company

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*Status: Point in time view as at 17/07/2013. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Section 157. (See end of Document for details)*

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holds the leasehold interest as a member of the partnership (and this Part has effect accordingly in relation to the other members of the partnership).

- (5) In relation to times when the arrangements operate for the benefit of a collective investment scheme, this Part has effect as if—
- (a) the interest held by the financial institution as mentioned in subsection (6)(b) were held by the lessee for the purposes of a collective investment scheme (and were not held by the financial institution), and
  - (b) the lease or sub-lease granted under the second transaction had not been granted.
- (6) The reference in subsection (5) to times when the arrangements operate for the benefit of a collective investment scheme is to times when—
- (a) the lessee holds the leasehold interest for the purposes of a collective investment scheme, and
  - (b) the interest purchased under the first transaction (or that interest except so far as transferred by a further transaction) is held by a financial institution.
- (7) In this section—
- “financial institution” has the meaning given by section 73BA of FA 2003;
  - “the first transaction” has the same meaning as in section 71A or (as the case requires) 72 of FA 2003;
  - “further transaction” has the same meaning as in section 71A of FA 2003;
  - “the leasehold interest” means the interest granted to the lessee under the second transaction;
  - “the second transaction” has the same meaning as in section 71A or (as the case requires) 72 of FA 2003.
- (8) The reference in subsection (1) to a major interest in land is to be read in accordance with section 117 of FA 2003.
- (9) Where the lessee is an individual, references in subsections (5) and (6) to the lessee are to be read, in relation to times after the death of the lessee, as references to the lessee's personal representatives.
- (10) In relation to transactions in relation to which section 29 of the Scotland Act 2012 (disapplication of UK stamp duty land tax) has effect, this section has effect as if—
- (a) in subsection (1) the words “or section 72 of that Act (land in Scotland sold to financial institution and leased to person)” were omitted, and
  - (b) in subsection (7) the words, “or (as the case requires) section 72” were omitted (in each place).

**Status:**

Point in time view as at 17/07/2013. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2013, Section 157.