



Finance Act 2013

2013 CHAPTER 29

PART 3

ANNUAL TAX ON ENVELOPED DWELLINGS

Alternative property finance

[^{F1}157A Land in Scotland sold to financial institution and leased to person

- (1) This section applies where Conditions A and B are met.
- (2) Condition A is that arrangements are entered into between a person (“the lessee”) and a financial institution under which the institution—
 - (a) purchases a major interest in land (“the first transaction”),
 - (b) grants to the lessee out of that interest a lease (if the interest acquired is the interest of the owner) or a sub-lease (if the interest acquired is the tenant's right over or interest in a property subject to a lease) (“the second transaction”), and
 - (c) enters into an agreement under which the lessee has a right to require the institution to transfer the major interest purchased by the institution under the first transaction.
- (3) Condition B is that the land in which the institution purchases a major interest under the first transaction is in Scotland and consists of or includes one or more dwellings or parts of a dwelling.
- (4) If the lessee is a company, this Part has effect in relation to times when the arrangements are in operation (see subsection (5)) as if—
 - (a) the interest held by the financial institution as mentioned in subsection (5)(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.
- (5) The reference in subsection (4) to times when the arrangements are in operation is to times when—

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

- (a) the lessee holds the interest granted to it under the second transaction, and
 - (b) the interest purchased under the first transaction is held by a financial institution.
- (6) A company treated under subsection (4)(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 holds the interest granted to it under the second transaction as a member of the partnership (and this Part has effect accordingly in relation to the other members of the partnership).
- (7) In relation to times when the arrangements operate for the benefit of a collective investment scheme (see subsection (8)), this Part has effect as if—
- (a) the interest held by the financial institution as mentioned in subsection (8)(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.
- (8) The reference in subsection (7) to times when the arrangements operate for the benefit of a collective investment scheme is to times when—
- (a) the lessee holds the interest granted to it under the second transaction for the purposes of a collective investment scheme, and
 - (b) the interest purchased under the first transaction is held by a financial institution.
- (9) In this section “financial institution” has the same meaning as in section 71A of FA 2003 (see section 73BA of that Act).
- (10) References in this section to a “major interest” in land are to—
- (a) ownership of land, or
 - (b) the tenant's right over or interest in land subject to a lease.
- (11) Where the lessee is an individual, references in subsections (7) and (8) 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.]

Textual Amendments

- F1** S. 157A inserted (15.9.2016) (with effect in accordance with s. 136(8) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 136\(7\)](#)

Changes to legislation:

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