
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Paragraph 27. (See end of Document for details)

SCHEDULES

SCHEDULE 2

QUALIFYING ASSET HOLDING COMPANIES

PART 3

CEASING TO BE A QAHC

Curing of certain breaches

- 27 (1) Sub-paragraph (2) applies to a breach by a QAHC of the activity condition (see paragraph 13(1)) if—
- (a) the breach is not deliberate,
 - (b) the QAHC has given HMRC a notification in relation to the breach in accordance with paragraph 26, and
 - (c) the QAHC has secured that the breach has ceased as soon as reasonably practicable.
- (2) Where this sub-paragraph applies to a breach of the activity condition, the breach is treated, for the purposes of this Part of this Schedule, as if it had not occurred.
- (3) A cure period applies to a breach of the ownership condition (see paragraph 3) in relation to a QAHC if—
- (a) the sum of relevant interests in the QAHC or in an enhanced class of the QAHC held by persons who are not category A investors does not exceed 50% (whether as a result of the breach or at any time afterwards),
 - (b) the breach is not deliberate,
 - (c) the QAHC has complied with paragraph 12 (requirement to take reasonable steps to monitor compliance), and
 - (d) the QAHC has given HMRC a notification in relation to the breach in accordance with paragraph 26 that states the QAHC intends to rely on the cure period.
- (4) Where—
- (a) a cure period applies to a breach of the ownership condition, and
 - (b) before the end of the cure period, the QAHC meets that condition,
- the breach is treated, for the purposes of this Part of this Schedule, as if had not occurred.
- (5) The “cure period” in relation to a breach of the ownership condition is—
- (a) the period of 90 days beginning with the day on which the QAHC became aware of the breach, or
 - (b) such longer period beginning with that day as HMRC may in writing agree.

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- (6) A breach of a condition is deliberate if—
- (a) it occurred as a result of anything done by any of the persons mentioned in sub-paragraph (7),
 - (b) that person knew that one of the consequences of doing that thing would be a breach of that condition, and
 - (c) it would have been reasonable for the person to avoid doing that thing.
- (7) Those persons are—
- (a) the QAHC;
 - (b) a director, or any other person involved in the management, of the QAHC;
 - (c) a person with relevant interests in the QAHC, or in an enhanced class of the QAHC, of 25% or more;
 - (d) a director, or any other person involved in the management, of a person referred to in paragraph (c).

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