
STATUTORY INSTRUMENTS

2009 No. 2971

The Mutual Societies (Transfers of Business) (Tax) Regulations 2009

PART 4

FURTHER PROVISIONS RELATING TO RELEVANT TRANSFERS

Stamp duty land tax – group relief

33.—(1) Paragraph 3 of Schedule 7 to FA 2003 (withdrawal of group relief)(1) does not apply if—

- (a) there is a relevant transfer;
- (b) before the date of that relevant transfer there had been a land transaction to which Part 1 of Schedule 7 to FA 2003 applied; and
- (c) as a result of that relevant transfer, the purchaser in relation to the land transaction referred to in sub-paragraph (b) ceases to be a member of the same group as the transferor—
 - (i) before the end of the period of three years beginning with the effective date of that land transaction; or
 - (ii) in pursuance of, or in connection with, arrangements made before the end of that three year period.

(2) In this regulation, references to a company being a member of a group of companies are to be read in accordance with paragraph 1 of Schedule 7 to FA 2003(2).

Transitional provision

34.—(1) This regulation applies if a relevant transfer takes place on or after 22 April 2009 but before the date on which these Regulations come into force.

- (2) Subject to paragraph (4) nothing in these Regulations shall have effect so as to—
- (a) impose a charge to tax (or increase a charge to tax) on a party to the relevant transfer;
 - (b) reduce a relief from tax, including a tax credit, available to a party to the relevant transfer; or
 - or
 - (c) reduce losses available to a party to the relevant transfer;

where that charge or reduction arises only as a result of the application of these Regulations.

- (3) If paragraph (2) applies—
- (a) any charge to tax (or increase in a charge to tax) on a party to the relevant transfer;
 - (b) any reduction in relief from tax available to a party to the relevant transfer; or
 - (c) any reduction in losses available to a party to the relevant transfer;

(1) 2003 c. 14, Paragraph 3(2) was substituted by paragraph 4(a) of Schedule 10 to the [Finance \(No 2\) Act 2005 \(c. 22\)](#).
(2) Paragraph 1 has been amended by paragraphs 1 and 3 of Schedule 10 to the [Finance \(No. 2\) Act 2005](#).

shall be disregarded.

- (4) Paragraphs (2) and (3) do not apply in relation to—
- (a) any charge to tax (or increase in a charge to tax);
 - (b) any reduction in relief from tax; or
 - (c) any reduction in losses;

which may arise as a result of anything done or occurring on or after the date on which these Regulations come into force.

Arrangements the purpose of which is to secure a tax advantage

- 35.**—(1) This regulation applies if a relevant transfer forms part of an unallowable arrangement.
(2) If paragraph (1) is satisfied the following Cases shall apply.

Case 1

Case 1 is where as a result of the arrangement any party to the relevant transfer obtains a relief from tax (including a tax credit) or an increased relief from tax.

Where Case 1 applies, the relief from tax, or increased relief from tax, shall not be allowed.

Case 2

Case 2 is where as a result of the arrangement any party to the relevant transfer obtains a repayment of tax or an increased repayment of tax.

Where Case 2 applies, the repayment of tax, or the increased repayment, shall not be allowed.

Case 3

Case 3 is where as a result of the arrangement any party to the relevant transfer avoids, reduces or delays a charge or assessment to tax.

Where Case 3 applies, a charge or an assessment to tax may be made upon that party.

Case 4

Case 4 is where as a result of the arrangement any party to the relevant transfer avoids a possible assessment to tax.

Where Case 4 applies, an assessment to tax may be made upon that party.

- (3) For the purposes of this regulation an arrangement is an unallowable arrangement where the purpose, or one of the main purposes, of a person in being a party to the relevant transfer is to obtain a tax advantage as a result of that transfer for that person or any other person.