

Land and property – Sch10 amendment

The Value Added Tax (Buildings and Land) Order 2009 (SI 2009/1966) has introduced a number of changes to VATA 1994 Sch 10. It amends the rules whereby "relevant associates" cease to be treated as such for anti-avoidance purposes. It brings Schedule 10 VAT Act 1994 in line with transfer of going concern provisions and permits HMRC to specify that a revocation takes effect when an event takes place rather than on a date. It introduces complex new 'anti-avoidance' provisions regarding revocation of the option to tax and allows the person opting to tax a property 30 days from the date of an option to tax to notify the exclusion of a building from the scope of its option. It also addresses concerns that anti-avoidance provisions could be triggered due to financial institutions having come under common governmental control.

SI 2009/1966 is available on the OPSI website via this [LINK](#). The Explanatory Memorandum is also available via this [LINK](#). HMRC has also issued [Information Sheet 12/09 \(link\)](#) which provides further explanation on the changes, to be read in conjunction with [Revenue & Customs Brief 44/09 \(link\)](#).

Comment

The provisions appear generally uncontroversial but are complex and care must be taken to avoid inadvertently triggering anti-avoidance measures.

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