

**EXPLANATORY NOTE**

**AMENDMENTS TO SCHEDULE 61: ALTERNATIVE FINANCE  
INVESTMENT BONDS**

**AMENDMENTS 321-332**

**SUMMARY**

1. The amendments to Schedule 61 ensure that the provisions relating to the charge, which is one of the conditions of the relief contained in the legislation, are effective in all three land registry jurisdictions: England & Wales, Scotland and Northern Ireland.
2. These technical amendments are designed to ensure the effective operation of this legislation.

**DETAILS OF THE AMENDMENTS**

3. Amendment 321 to paragraph 1(1) clarifies the definition of a qualifying interest for the purpose of this relief. It removes an undivided share of a major interest in land from the definition and ensures that leases exceeding 21 years only qualify for the relief.
4. Amendment 322 confirms that paragraph 6(a) only relates to England and Wales.
5. Amendment 323 to paragraph 7 removes the reference to the charge being imposed. It also provides that the charge is in favour of the Commissioners for Her Majesty's Revenue and Customs rather than just HMRC.
6. Amendments 324 and 325 are consequential to amendment 56 and are required in order to ensure consistency within the legislation.
7. Amendment 324 amends paragraph 9 which relates to the discharge of the charge. This amendment replaces the requirement for the charge to be imposed with a requirement for the charge to be registered.
8. Amendment 325 at paragraph 18(5) replicates amendment 57.
9. Amendment 326 at paragraph 18(5) requires the claimant to provide evidence that the conditions of the relief have been met, in order for the charge to be removed.
10. Amendment 327 at paragraph 18(6) is a consequential amendment which replicates amendments 324 and 325.

11. Amendment 328 at paragraph 18(6) replicates amendment 326.
12. Amendments 329 to 332 at paragraph 19 all relate to the discharge of the charge and clarify who HMRC will inform in order for the charge to be removed.
13. Amendment 329 makes it clear that paragraph 19(1)(a) relates only to England and Wales.
14. Amendment 330 at paragraph 19(1)(a) is a drafting amendment which removes the word “and”.
15. Amendment 331 at paragraph 19(1)(b) clarifies the position in relation to land in Scotland.
16. Amendment 332 ensures that the discharge is operative in Northern Ireland.

#### **BACKGROUND NOTE**

17. This legislation is intended to enable the issuance of Alternative Finance Investment Bonds backed by land assets in the UK. One of the conditions of the relief is that a charge be registered in favour of the Commissioners for Her Majesty’s Revenue and Customs to protect Exchequer revenue in the event of default. Following the publication of the draft Finance Bill it has come to the attention of Her Majesty’s Revenue and Customs that these amendments are needed for the charge to operate as intended and provide the necessary safeguards for the Exchequer.
18. These changes do not alter the scope or availability of the relief.

Mr Stephen Timms

**321**

Schedule 61, page 422, line 16, leave out from ‘2003)’ to end of line 19 and insert ‘except that it does not include a lease if the lease is for—

- (a) a term of years of 21 years or less, or
- (b) in Scotland, a period of 21 years or less.’.

Mr Stephen Timms

**322**

Schedule 61, page 424, line 15, at beginning insert ‘in England and Wales,’.

Mr Stephen Timms

**323**

Schedule 61, page 424, line 23, leave out paragraphs (a) and (b) and insert—

- ‘(a) is a first charge on, or a security ranking first granted over, the interest transferred to Q,
- (b) is in favour of the Commissioners for Her Majesty’s Revenue and Customs, and’.

Mr Stephen Timms

**324**

Schedule 61, page 426, line 12, leave out ‘imposed or security granted’ and insert ‘or security registered’.

Mr Stephen Timms

**325**

Schedule 61, page 430, line 19, leave out ‘imposed on it, or security granted over it,’ and insert ‘or security registered’.

Mr Stephen Timms

**326**

Schedule 61, page 430, line 20, leave out ‘that condition is complied with’ and insert—

- ‘(a) Q provides HMRC with the prescribed evidence that condition G is met in relation to the original land, and
- (b) condition D is met’.

Mr Stephen Timms

**327**

Schedule 61, page 430, line 23, leave out ‘imposed on it, or security granted over it,’ and insert ‘or security registered’.

**FINANCE BILL 2009**  
**CLAUSE 122**  
**SCHEDULE 61**

- Mr Stephen Timms **328**
- Schedule **61**, page **430**, line **25**, after ‘that’, insert—
- ‘(a) condition G is met in relation to the original land, and
- (b) ’.
- Mr Stephen Timms **329**
- Schedule **61**, page **430**, line **36**, after ‘charge’, insert ‘on land in England and Wales’.
- Mr Stephen Timms **330**
- Schedule **61**, page **430**, line **38**, leave out ‘and’.
- Mr Stephen Timms **331**
- Schedule **61**, page **430**, line **39**, after ‘security’, insert ‘granted over land in Scotland’.
- Mr Stephen Timms **332**
- Schedule **61**, page **430**, line **40**, at end insert ‘and
- ‘(c) in the case of a charge on land in Northern Ireland, notify the Registrar of Titles of the discharge.’.