

SCHEDULE 7
ALTERNATIVE PROPERTY FINANCE RELIEF

PART 4

EXEMPT INTEREST

Interest held by financial institution an exempt interest

- 21 An interest held by a financial institution as a result of the first transaction within the meaning of paragraph 2(a) or 7(a) is an exempt interest for the purposes of the tax.
- 22 That interest ceases to be an exempt interest if—
- (a) the lease or agreement mentioned in paragraph 2(b) or 7(b) ceases to have effect, or
 - (b) the right under paragraph 2(c) or 7(c) ceases to have effect or becomes subject to a restriction.
- 23 Paragraph 21 does not apply if the first transaction is exempt from charge by virtue of schedule 10 (group relief) or 11 (reconstruction and acquisition reliefs).
- 24 Paragraph 21 does not make an interest exempt in respect of—
- (a) the first transaction itself, or
 - (b) a third transaction or a further transaction within the meaning of paragraph 5 or 10.