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SCHEDULES

[^{F1}SCHEDULE 29A

TAXABLE PROPERTY HELD BY INVESTMENT-REGULATED PENSION SCHEMES

Textual Amendments

F1 Sch. 29A inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 158(2), [Sch. 21 para. 13](#)

PART 3

ACQUISITION AND HOLDING OF TAXABLE PROPERTY

Acquisition

- 12 (1) For the purposes of the taxable property provisions an investment-regulated pension scheme acquires an interest in property if it comes to hold the interest.
- (2) Sub-paragraph (1) applies however the pension scheme comes to hold the interest, whether that is—
- (a) by act of the parties to a transaction,
 - (b) by order of a court or other authority,
 - (c) by or under any statutory provision, or
 - (d) by operation of law.
- (3) For instances of deemed acquisition, see paragraphs 27 to 29.

Holding

- 13 (1) For the purposes of the taxable property provisions an investment-regulated pension scheme holds an interest in property if the scheme holds the interest directly or indirectly.
- (2) In the taxable property provisions references to a person holding an interest in property include, in the case of—
- (a) an investment-regulated pension scheme,
 - (b) an arrangement under a pension scheme, or
 - (c) a trust which is not a pension scheme,
- references to the interest in the property being held for the purposes of the pension scheme, the arrangement or the trust.

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Direct holding

- 14 (1) For the purposes of the taxable property provisions a person holds an interest in property directly if the person (whether jointly, in common or alone)—
- (a) holds the property or any estate, interest, right or power in or over the property,
 - (b) has the right to use, or participate in arrangements relating to the use of, that property or a description of property to which that property belongs, or
 - (c) has the benefit of any obligation, restriction or condition affecting the value of any estate, interest, right or power in or over the property,
- under the law of any country or territory.
- (2) But a person does not hold an interest in residential property consisting of hotel accommodation directly unless—
- (a) the person holds part only of the hotel accommodation or any estate, interest, right or power in or over such a part and, as a result, any person has a right to use or occupy that or any other part of the hotel accommodation, or
 - (b) the person has a right to use, or participate in arrangements relating to the use of, part only of the hotel accommodation or a description of property to which that part belongs.
- (3) For the purposes of the taxable property provisions a person holds an interest in property directly if the person is entitled (whether jointly, in common or alone) to receive payments determined by reference to the value of or the income from the property.
- (4) Sub-paragraph (3) is subject to paragraph 15.

Exception to direct holding

- 15 (1) A person does not hold an interest in taxable property directly by virtue of paragraph 14(3) where Conditions A to C are met.
- (2) Condition A is that—
- (a) the person is entitled to receive the payments by virtue of a policy of life insurance, a contract for a life annuity or a capital redemption policy, and
 - (b) the policy or contract is issued by an insurance company.
- (3) Condition B is that the property—
- (a) does not constitute a linked asset, or
 - (b) has been appropriated by the insurance company to an internal linked fund.
- (4) Condition C is that—
- (a) where the person is an occupational pension scheme, the policy or contract, either by itself or taken together with one or more associated policies, does not entitle the pension scheme, either alone or together with one or more associated persons, to receive payments representing 10% or more of the market value of or the income from the property,
 - (b) where the person is a pension scheme other than an occupational pension scheme, the policy or contract, either by itself or taken together with one or more associated policies, does not entitle an arrangement under the pension scheme, either alone or together with one or more associated persons, to receive such payments, or

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- (c) otherwise, the policy or contract does not entitle the person to receive such payments.
- (5) But for the purposes of applying paragraph 14(3) for determining whether a pension scheme holds an interest in taxable property directly or indirectly, this paragraph does not apply if the purpose or one of the purposes for which the person holds rights under the policy or contract is to enable a member of the pension scheme or a person connected with such a member to occupy or use the property.
- (6) For the purposes of sub-paragraph (4) “associated policy” means a policy or contract which entitles an associated person to receive payments determined by reference to the value of or the income from the property.
- (7) For the definition of “associated person” see paragraph 30.
- (8) For the purposes of this paragraph—
“capital redemption policy” means a contract made in the course of a capital redemption business, as defined in section 458(3) of ICTA;
“internal linked fund” has the meaning given by—
(a) the Interim Prudential Sourcebook for Insurers made by the [F²Prudential Regulation Authority] under FISMA 2000, or
(b) rules made by the [F³Prudential Regulation Authority] under that Act and having effect for the time being in place of the Sourcebook; and
“linked asset” means an asset of the insurance company which is identified in its records as an asset by reference to the value of which benefits provided for under a policy or contract are to be determined.
- (9) For the purposes of this paragraph an annuity is a life annuity if it is—
(a) granted for consideration in money or money's worth in the ordinary course of a business of granting annuities on human life, and
(b) payable for a term ending at a time ascertainable only by reference to the end of a human life,
and for this purpose it does not matter that the annuity may in some circumstances end before or after the life.

Textual Amendments

- F2** Words in [Sch. 29A para. 15\(8\)](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), art. 1(2), [Sch. para. 7\(a\)](#)
- F3** Words in [Sch. 29A para. 15\(8\)](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), art. 1(2), [Sch. para. 7\(b\)](#)

Modifications etc. (not altering text)

- C1** [Sch. 29A para. 15](#) modified by [S.I. 2006/207](#), reg. 4C (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Pensions Schemes \(Application of UK Provisions to Relevant Non-UK Schemes\)\(Amendment\) Regulations 2006 \(S.I. 2006/1960\)](#), [reg. 9](#))

Indirect holding

- 16 (1) For the purposes of the taxable property provisions a person holds an interest in property indirectly if the person does not hold the interest directly but (whether jointly, in common or alone)—

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- (a) holds an interest in a person who holds the interest in the property directly, or
 - (b) holds an interest in a person who holds the interest in the property indirectly by virtue of paragraph (a) or this paragraph.
- (2) For the purposes of the taxable property provisions a person holds an interest in another person if—
- (a) the person holds an interest, right or power in or over that other person, or
 - (b) the person lends money to that other person to fund the acquisition by that other person of an interest in taxable property.
- (3) But sub-paragraph (2)(b) does not apply where—
- (a) the loan is an authorised employer loan made by a pension scheme to or in respect of a sponsoring employer (see section 179),
 - (b) the interest in the property is acquired so that the property may be used for the purposes of a trade, profession or vocation carried on by the sponsoring employer or for the purposes of the sponsoring employer's administration or management, and
 - (c) after the acquisition, the property is not occupied or used by a member of the pension scheme or a person connected with such a member.
- (4) In the taxable property provisions references to a person holding an interest in another person include, in the case of—
- (a) an investment-regulated pension scheme,
 - (b) an arrangement under a pension scheme, or
 - (c) a trust which is not a pension scheme,
- references to the interest in the other person being held for the purposes of the pension scheme, the arrangement or the trust.
- (5) Paragraphs 17 to 19 explain what it means for a person to hold an interest in another person by virtue of sub-paragraph (2)(a) in a case where that other person is a company, collective investment scheme or trust.
- (6) The Treasury may by regulations—
- (a) amend paragraphs 17 to 19, or
 - (b) amend this Part of this Schedule for the purposes of explaining what it means for a person to hold an interest, right or power in or over another person in other cases.
- (7) This paragraph is subject to paragraphs 20 to 26.
- 17 (1) For the purposes of paragraph 16 a person holds an interest in a company if—
- (a) the person has, or is entitled to acquire, share capital or voting rights in the company,
 - (b) the person has, or is entitled to acquire, a right to receive or participate in distributions of the company,
 - (c) the person is entitled to secure that income or assets (whether present or future) of the company will be applied directly or indirectly for the person's benefit, or
 - (d) the person, either alone or together with other persons, has control of the company.
- (2) In sub-paragraph (1) references to a person being entitled to do anything apply where a person—

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- (a) is currently entitled to do it at a future date, or
- (b) will at a future date be entitled to do it.

(3) In sub-paragraph (1) “control” has the meaning given by [F⁴sections 450 and 451 of the Corporation Tax Act 2010].

Textual Amendments

F4 Words in Sch. 29A para. 17(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(2\)](#) (with [Sch. 2](#))

- 18 (1) For the purposes of paragraph 16 a person holds an interest in a collective investment scheme if the person is a participant in the scheme.
- (2) In this Schedule—
- (a) “collective investment scheme” has the meaning given by section 235 of FISMA 2000, and
 - (b) “participant”, in relation to such a scheme, has the meaning given by subsection (2) of that section.
- 19 (1) For the purposes of paragraph 16 a pension scheme holds an interest in a trust if Condition A or B is met.
- (2) Condition A is that—
- (a) the pension scheme has a relevant interest in the trust,
 - (b) the pension scheme, a member of the pension scheme or a person connected with such a member has made a payment to the trust on or after the acquisition of the interest, and
 - (c) the payment is not one to which sub-paragraph (7) applies.
- (3) Condition B is that—
- (a) a member of the pension scheme or a person connected with such a member has a relevant interest in the trust,
 - (b) the pension scheme has made a payment to the trust on or after the acquisition of the interest, and
 - (c) the payment is not one to which sub-paragraph (7) applies.
- (4) For the purposes of applying paragraph 16 for determining whether a pension scheme holds an interest in property indirectly, a person other than the pension scheme holds an interest in a trust if—
- (a) the person has a relevant interest in the trust,
 - (b) the person has made a payment to the trust on or after the acquisition of the interest, and
 - (c) the payment is not one to which sub-paragraph (7) applies.
- (5) For the purposes of this paragraph a person has a relevant interest in a trust if—
- (a) any property which may at any time be comprised in the trust or any derived property is, or will or may become, payable to or applicable for the benefit of the person in any circumstances, or
 - (b) the person enjoys a benefit deriving directly or indirectly from any property which is comprised in the trust or any derived property.

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- (6) In sub-paragraph (5) “derived property”, in relation to any property, means income from that property or any other property directly or indirectly representing proceeds of, or income from, that property.
- (7) This sub-paragraph applies to a payment if—
- (a) it is made as part of an arm's length transaction by which property or a benefit is to be provided in return for the payment, and
 - (b) it is made otherwise than for the purposes of enabling a member of the pension scheme or a person connected with such a member to occupy or use any property.
- (8) [^{F5}Section 1122 of the Corporation Tax Act 2010] (connected persons) applies for the purposes of this paragraph.
- (9) This paragraph does not apply in relation to a unit trust scheme within the meaning of section 237(1) of FISMA 2000 (but see paragraph 18).

Textual Amendments

- F5** Words in [Sch. 29A para. 19\(8\)](#) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 431\(5\)\(b\)](#) (with [Sch. 2](#))

Exceptions to indirect holding

- 20 (1) A pension scheme does not hold an interest in property indirectly through a vehicle through which the pension scheme would otherwise hold the interest in the property indirectly where one of the following paragraphs applies in relation to the vehicle, and, in particular—
- (a) paragraph 21 makes provision in relation to holding through vehicles which carry on trading activities,
 - (b) [^{F6}paragraphs 22, 24 and 25 make] provision in relation to holding through Real Estate Investment Trusts,
 - (c) paragraphs 23 to 25 make provision in relation to holding through other kinds of vehicles, and
 - (d) paragraph 26 makes provision in relation to holding through a vehicle which holds the interest in the property directly by virtue of paragraph 14(3) (receipt of payments determined by reference to value of or income from property).
- (2) In the taxable property provisions “vehicle”, in relation to a pension scheme which holds an interest in taxable property indirectly, means a person through whom the pension scheme holds the interest in the property.
- (3) For the purposes of the taxable property provisions a person holds an interest in a vehicle directly if the person holds an interest of the kind mentioned in paragraph 16(2) in the vehicle.
- (4) For the purposes of the taxable property provisions a person holds an interest in a vehicle indirectly if the person does not hold the interest directly but—
- (a) holds an interest in a person who holds an interest in the vehicle directly, or
 - (b) holds an interest in a person who holds the interest in the vehicle indirectly by virtue of paragraph (a) or this paragraph.

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Textual Amendments

F6 Words in Sch. 29A para. 20(1)(b) substituted (retrospective to 1.1.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 paras. 14\(2\)](#), [24\(8\)](#)

- 21 (1) This paragraph applies to a vehicle in which a pension scheme directly or indirectly holds an interest where—
- (a) the vehicle's main activity is the carrying on of a trade, profession or vocation,
 - (b) the pension scheme does not, whether alone or together with one or more associated persons, have control of the vehicle, and
 - (c) neither a member of the pension scheme nor a person connected with such a member is a controlling director of the vehicle or any other vehicle which holds an interest in the vehicle directly or indirectly.
- (2) But this paragraph does not apply if the purpose or one of the purposes for which the pension scheme holds the interest in the vehicle is to enable a member of the pension scheme or a person connected with such a member to occupy or use the property.
- (3) In sub-paragraph (1)—
- (a) “control” has the same meaning as in [^{F7}sections 450 and 451 of the Corporation Tax Act 2010] (reading references in [^{F8}those sections] to a company as references to the vehicle and references to associates as including associated persons), and
 - (b) “controlling director”, in relation to a vehicle, means a director to whom [^{F9}section 452(2)(b)] of that Act applies (reading the reference to associates in [^{F10}section 452(3) of that Act] as including associated persons).
- (4) For the purposes of this paragraph a pension scheme or an arrangement under a pension scheme has control of a vehicle if the pension scheme or the arrangement holds such interest as would, if the pension scheme or the arrangement were a person, mean that the person had control of the vehicle.
- (5) [^{F11}Section 1122 of the Corporation Tax Act 2010] (connected persons) applies for the purposes of this paragraph.
- (6) For the definition of “associated person” see paragraph 30.

Textual Amendments

- F7** Words in Sch. 29A para. 21(3)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(3\)\(a\)\(i\)](#) (with [Sch. 2](#))
- F8** Words in Sch. 29A para. 21(3)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(3\)\(a\)\(ii\)](#) (with [Sch. 2](#))
- F9** Words in Sch. 29A para. 21(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(3\)\(b\)\(i\)](#) (with [Sch. 2](#))
- F10** Words in Sch. 29A para. 21(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(3\)\(b\)\(ii\)](#) (with [Sch. 2](#))
- F11** Words in Sch. 29A para. 21(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(5\)\(c\)](#) (with [Sch. 2](#))

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- 22 (1) This paragraph applies to a vehicle in which a pension scheme directly or indirectly holds an interest where the vehicle [^{F12}is a company which is, or is a member of, a UK REIT within the meaning of Part 12 of the Corporation Tax Act 2010 (Real Estate Investment Trusts)] [^{F13}and paragraph 24 applies to the pension scheme's interest in the vehicle.]

^{F14}(2)

- (3) [^{F15}Section 1122 of the Corporation Tax Act 2010] (connected persons) applies for the purposes of sub-paragraph (2).

Textual Amendments

- F12** Words in Sch. 29A para. 22(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 431\(4\)](#) (with Sch. 2)
- F13** Words in Sch. 29A para. 22(1) inserted (retrospective to 1.1.2007) by [Finance Act 2007 \(c. 11\), Sch. 20 paras. 14\(3\)\(a\), 24\(8\)](#)
- F14** Sch. 29A para. 22(2) repealed (retrospective to 1.1.2007) by [Finance Act 2007 \(c. 11\), Sch. 20 paras. 14\(3\)\(b\), 24\(8\), Sch. 27 Pt. 3\(2\)](#)
- F15** Words in Sch. 29A para. 22(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 431\(5\)\(d\)](#) (with Sch. 2)

- 23 (1) This paragraph applies to a vehicle in which a pension scheme directly or indirectly holds an interest where—
- (a) Conditions A to C are met in relation to the vehicle, and
 - (b) paragraph 24 applies to the pension scheme's interest in the vehicle.
- (2) Condition A is that—
- (a) the total value of the assets held directly by the vehicle is at least £1 million, or
 - (b) the vehicle holds directly at least three assets which consist of an interest in residential property,
- and no asset held directly by the vehicle which consists of an interest in taxable property has a value which exceeds 40% of the total value of the assets held directly by the vehicle.
- (3) Condition B is that, if the vehicle is a company—
- (a) it is resident in the United Kingdom and is not a close company, or
 - (b) it is not resident in the United Kingdom and would not be a close company if it were resident in the United Kingdom.
- (4) Condition C is that the vehicle does not have as its main purpose, or one of its main purposes, the direct or indirect holding of an animal or animals used for sporting purposes.
- (5) For the purposes of sub-paragraph (2)—
- (a) assets must be valued in accordance with generally accepted accounting practice,
 - (b) no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically), and
 - (c) where generally accepted accounting practice offers a choice of valuation between cost basis and fair value, fair value must be used.

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- (6) The Treasury may by order—
- (a) increase the amount for the time being specified in paragraph (a) of sub-paragraph (2), or
 - (b) increase the percentage for the time being specified in that sub-paragraph.
- 24 (1) For the purposes of ^{F16}paragraphs 22 and 23] this paragraph applies to the interest held directly or indirectly by a pension scheme in a vehicle where—
- (a) Condition A is met, and
 - (b) Condition B or C is met.
- (2) Condition A is that the pension scheme does not hold the interest in the vehicle for the purpose of enabling a member of the pension scheme or a person connected with such a member to occupy or use the property.
- (3) Condition B is that—
- (a) the pension scheme is an occupational pension scheme, and
 - (b) the pension scheme does not, either alone or together with one or more associated persons, directly or indirectly hold an interest in the vehicle to which sub-paragraph (5) applies.
- (4) Condition C is that—
- (a) the pension scheme is not an occupational pension scheme, and
 - (b) no arrangement under the pension scheme, either alone or together with one or more associated persons, directly or indirectly holds an interest in the vehicle to which sub-paragraph (5) applies.
- (5) This sub-paragraph applies to the following interests—
- (a) 10% or more of the share capital or issued share capital of the vehicle;
 - (b) 10% or more of the voting rights in the vehicle;
 - (c) a right to receive 10% or more of the income of the vehicle;
 - (d) such interest in the vehicle as gives an entitlement to 10% or more of the amounts distributed on a distribution in relation to the vehicle;
 - (e) such interest in the vehicle as gives an entitlement to 10% or more of the assets of the vehicle on a winding-up or in any other circumstances;
 - (f) such interest in the vehicle as gives rise to income or gains from a specific property.
- (6) ^{F17}Section 1122 of the Corporation Tax Act 2010] (connected persons) applies for the purposes of this paragraph.
- (7) For the definition of “associated person” see paragraph 30.

Textual Amendments

- F16** Words in Sch. 29A para. 24(1) substituted (retrospective to 1.1.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 paras. 14\(4\), 24\(8\)](#)
- F17** Words in [Sch. 29A para. 24\(6\)](#) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 431\(5\)\(e\)](#) (with [Sch. 2](#))

- 25 (1) This paragraph contains provisions supplementary to paragraph 24.
- (2) Where—

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- (a) paragraph [F1822 or 23] does not apply in relation to a vehicle in which the pension scheme directly or indirectly holds an interest merely because Condition C in paragraph 24(4) is not met in relation to an arrangement under the pension scheme, and
- (b) accordingly, the pension scheme holds an interest in property indirectly through the vehicle,

the interest in the property is to be treated as held through the vehicle for the purposes of another arrangement under the pension scheme only if that arrangement, either alone or together with one or more associated persons, directly or indirectly holds an interest in the vehicle to which paragraph 24(5) applies.

- (3) Sub-paragraph (4) applies for determining the percentage of an interest held by a person in a vehicle at a time when the person holds that interest indirectly.
- (4) That percentage is equal to the percentage of the total taxable amount that would be apportioned to the person under paragraphs 41 to 43—
 - (a) where the person is not the pension scheme, if the person were the pension scheme, and
 - (b) in any case, if the person were treated as making an unauthorised payment by virtue of the vehicle coming to hold the interest in the property directly at that time.
- (5) For the definition of “associated person” see paragraph 30.

Textual Amendments

F18 Words in Sch. 29A para. 25(2)(a) substituted (retrospective to 1.1.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 paras. 14\(5\), 24\(8\)](#)

- 26 (1) This paragraph applies to a vehicle in which a pension scheme directly or indirectly holds an interest where—
 - (a) the vehicle holds the interest in the property directly by virtue of paragraph 14(3) merely because it does not meet Condition C in paragraph 15(4), and
 - (b) sub-paragraph (2) applies in relation to the pension scheme.
- (2) This sub-paragraph applies in relation to the pension scheme if—
 - (a) where the pension scheme is an occupational pension scheme, the pension scheme is not, either alone or together with one or more associated persons, deemed to be entitled to 10% or more of the market value of or the income from the property, or
 - (b) where the pension scheme is not an occupational pension scheme, no arrangement under the pension scheme, either alone or together with one or more associated persons, is deemed to be so entitled.
- (3) For the purposes of this paragraph the percentage of the market value of or the income from the property to which a person is deemed to be entitled at any time is—

$$IG \times TTA$$

where—

IG is the percentage of the market value of or the income from the property to which the vehicle that holds the interest in the property directly is entitled at that time, and

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TTA is the percentage of the total taxable amount that would be apportioned to the person at that time on the assumptions mentioned in sub-paragraph (4).

- (4) Those assumptions are—
- (a) if the person is not the pension scheme, that the person is the pension scheme, and
 - (b) in any case, that the person is treated as making an unauthorised payment by virtue of the vehicle coming to hold the interest in the property directly at that time.
- (5) For the definition of “associated person” see paragraph 30.

Deemed acquisition

- 27 Where—
- (a) an investment-regulated pension scheme holds an interest in property which is not taxable property, and
 - (b) that property becomes taxable property otherwise than by reason of its conversion or adaptation as residential property,
- the pension scheme is treated for the purposes of the taxable property provisions as acquiring an interest in the property.
- 28 (1) Subject to paragraph 29, this paragraph applies where—
- (a) an investment-regulated pension scheme holds an interest in taxable property indirectly, and
 - (b) there is an increase in the extent of the interest held directly in a vehicle by the pension scheme or another vehicle.
- (2) The pension scheme is to be treated for the purposes of this Schedule as—
- (a) having disposed of the interest in the property immediately before the increase in the extent of the interest in the vehicle, and
 - (b) having re-acquired the interest immediately afterwards.
- (3) The extent of the interest held directly in a vehicle by a person is to be determined for the purposes of this paragraph and paragraph 29 in accordance with paragraphs 42 and 43.
- 29 (1) Where there is an increase in the extent of the interest held directly in the vehicle otherwise than by reason of the acquisition of a further interest in the vehicle, paragraph 28 does not apply unless the condition in sub-paragraph (2) is met.
- (2) The condition is that the event by which the extent of the interest held directly in the vehicle increases forms part of a scheme or arrangement the main purpose or one of the main purposes of which is—
- (a) to enable the amount of the unauthorised payment treated as arising on the original acquisition of the interest in the property by the pension scheme to be lower than it otherwise would have been, or
 - (b) to prevent an unauthorised payment from being treated as made on that original acquisition.
- (3) Unless that condition is met, the increase in the extent of the interest is also to be disregarded for the purposes of paragraphs 24 to 26.

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Modifications etc. (not altering text)

- C2** Sch. 29A para. 29 modified by S.I. 2006/207, reg. 4D (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Pensions Schemes \(Application of UK Provisions to Relevant Non-UK Schemes\)\(Amendment\) Regulations 2006 \(S.I. 2006/1960\)](#), **reg. 9**)

Associated persons

- 30 (1) For the purposes of this Part of this Schedule “associated person”, in relation to a pension scheme, means—
- (a) any member of the pension scheme,
 - (b) any person connected with such a member,
 - (c) any arrangement (under that or another pension scheme) relating to a member of the pension scheme,
 - (d) any arrangement (under that or another pension scheme) relating to a person connected with such a member, and
 - (e) any associated pension scheme.

- (2) For the purposes of sub-paragraph (1) a pension scheme is associated with another pension scheme if members representing at least 10% by value of one pension scheme are members of the other pension scheme or connected with such members.

- (3) The percentage by value represented by a member of a pension scheme is—

$$\frac{AM}{AA} \times 100$$

where—

AM is an amount equal to the aggregate of the amount of the sums and the market value of the assets held for the purposes of an arrangement under the pension scheme relating to the member, and

AA is an amount equal to the aggregate of the amount of the sums and the market value of the assets held for the purposes of the pension scheme.

- (4) For the purposes of this Part of this Schedule “associated person”, in relation to an arrangement under a pension scheme, means—
- (a) the member of the pension scheme to which that arrangement relates,
 - (b) any person connected with such a member,
 - (c) any arrangement (under that or another pension scheme) relating to a member of the pension scheme to which that arrangement relates, and
 - (d) any arrangement (under that or another pension scheme) relating to a person connected with such a member.]

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)