

Regulation of Financial Services (Land Transactions) Bill

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by HM Treasury, are published separately as Bill 7 – EN.

EUROPEAN CONVENTION ON HUMAN RIGHTS

Mr Ivan Lewis has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Regulation of Financial Services (Land Transactions) Bill are compatible with the Convention rights.

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Enable activities relating to certain arrangements involving the acquisition or disposal of land to be regulated under the Financial Services and Markets Act 2000.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Financial Services and Markets Act 2000: regulated activities

In Part 2 of Schedule 2 to the Financial Services and Markets Act 2000 (c. 8) (regulated activities - investments), after paragraph 23 there is inserted—

“Other finance arrangements involving land

- | | |
|--|----|
| 23A (1) Rights under any arrangement for the provision of finance under which the person providing the finance either— | 5 |
| (a) acquires a major interest in land from the person to whom the finance is provided, or | |
| (b) disposes of a major interest in land to that person, as part of the arrangement. | 10 |
| (2) References in sub-paragraph (1) to a “major interest” in land are to— | |
| (a) in relation to land in England or Wales— | |
| (i) an estate in fee simple absolute, or | |
| (ii) a term of years absolute, whether subsisting at law or in equity; | 15 |
| (b) in relation to land in Scotland— | |
| (i) the interest of an owner of land, or | |
| (ii) the tenant’s right over or interest in a property subject to a lease; | |
| (c) in relation to land in Northern Ireland— | 20 |
| (i) any freehold estate, or | |
| (ii) any leasehold estate, | |

whether subsisting at law or in equity.

(3) It is immaterial for the purposes of sub-paragraph (1) whether either party acquires or (as the case may be) disposes of the interest in land—

(a) directly, or

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(b) indirectly.”

2 Short title and commencement

(1) This Act may be cited as the Regulation of Financial Services (Land Transactions) Act 2005.

(2) This Act shall come into force at the end of the period of two months beginning with the day on which it is passed.

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To enable activities relating to certain arrangements involving the acquisition or disposal of land to be regulated under the Financial Services and Markets Act 2000.

*Presented by Mr Ivan Lewis
supported by
The Prime Minister, Mr Secretary Prescott,
Mr Chancellor of the Exchequer,
Mr Secretary Blunkett, Mr Secretary Darling,
Mr Secretary Hain, Mr Des Browne,
Dawn Primarolo and John Healey.*

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