

## **Written Ministerial Statement**

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### **Anti-avoidance**

**The Exchequer Secretary to the Treasury (David Gauke):** The Government is committed to tackling tax avoidance to ensure the Exchequer is protected and fairness is maintained for the taxpayer.

HMRC have recently become aware of an avoidance scheme that seeks to generate loss relief from a property business that holds an agricultural estate. It is intended that this loss can then be set-off by users of the scheme against their other income. This scheme relies on arrangements that have a tax avoidance purpose. The Government does not accept that these arrangements have the effect that is sought, but to remove any doubt prompt action is being taken to protect the Exchequer.

I am today announcing that legislation will be introduced in Finance Bill 2012 to prevent property business loss relief being given where allowable agricultural expenses arise from arrangements entered into in which the main purpose, or one of the main purposes, is to obtain a tax reduction. The legislation will have effect from today and will protect significant amounts of revenue.

We have acted quickly to prevent the use of this particular scheme and we will not hesitate to close down other schemes representing a significant risk to the Exchequer as we become aware of them.

Since the scheme that HMRC has become aware of is the third avoidance scheme that has targeted trading and property reliefs, there is a risk that further schemes may seek to exploit one or other of these reliefs.

I am therefore also announcing that the Government will introduce further legislation in Finance Bill 2012 to prevent post cessation property relief being given where a qualifying payment or qualifying event arises from arrangements entered into in which the main purpose, or one of the main purposes, is to obtain a tax reduction. This legislation will also have effect from today.

Draft legislation and further details of this measure are being published on HMRC's website today.

**HM Treasury**  
**13 March 2012**