

## Issue: Transactions in UK Land/Trading v investment

### Background:

A Luxembourg based private equity house was intending to sell off a large portfolio of regional offices.

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### Issue:

Whilst many of the offices had been held for longer than a three-year period and let out, some of the offices had only just been recently refurbished and tenanted (with no rent yet being received). As a consequence, the seller had a concern that it may be subject to challenge under the Transactions in UK land provisions in relation to some of the properties. However, it had good evidence of an original investment intention and it had received an unsolicited offer for the portfolio.

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### Solution:

We were able to issue a policy to the seller for £5.5m to cover the risk of an HMRC challenge. This allowed the seller to distribute the entire sales proceeds to its investors, without having to hold back any payment for this potential liability.

