

Rights granted for life

189. (1) This section shall apply where—

- (a) a taxable person, who is a club or other similar body, makes a supply of services under an agreement;
- (b) the agreement provides whether expressly or implicitly that a right is to be granted or exercisable for the rest of the person's life or for a period of not less than thirty years; and
- (c) the rights is granted or first exercisable before the effective date.

(2) Where any payment for rights granted or exercisable for the rest of the person's life or for a period of not less than thirty years is paid by existing or new members of a club or other similar body for any rights to use facilities of the club or other similar body, the supply of services on which any payment is made—

- (a) before the effective date, shall not be chargeable to tax; and
- (b) on or after the effective date, shall be chargeable to tax.