

Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, PART 3. (See end of Document for details)

SCHEDULE 8 RELIEF FOR ALTERNATIVE FINANCE INVESTMENT BONDS

PART 3

GENERAL CONDITIONS FOR OPERATION OF RELIEFS ETC.

Introduction

- 7 This Part of this schedule defines conditions A to G for the purposes of paragraphs 15 to 21.

Commencement Information

- II** Sch. 8 para. 7 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

Condition A

- 8 Condition A is that one person (P) and another (Q) enter into arrangements under which—
- (a) P transfers to Q a qualifying interest in land (“the first transaction”), and
 - (b) P and Q agree that when the interest ceases to be held by Q as mentioned in paragraph 9(b), Q will transfer the interest to P.

Commencement Information

- I2** Sch. 8 para. 8 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

Condition B

- 9 Condition B is that—
- (a) Q, as bond-issuer, enters into an alternative finance investment bond (whether before or after entering into the arrangements mentioned in paragraph 8), and
 - (b) the interest in land to which those arrangements relate is held by Q as a bond asset.

Commencement Information

- I3** Sch. 8 para. 9 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

Condition C

- 10 (1) Condition C is that, for the purpose of generating income or gains for the alternative finance investment bond—
- (a) Q and P enter into a leaseback agreement, or
 - (b) such other condition or conditions as may be specified in regulations made by the Scottish Ministers is or are met.

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- (2) For the purposes of condition C, Q and P enter into a leaseback agreement if Q grants to P, out of the interest transferred to Q—
- (a) a lease (if the interest transferred is the interest of the owner), or
 - (b) a sub-lease (if the interest transferred is the tenant's right over or interest in land subject to a lease).

Commencement Information

I4 Sch. 8 para. 10 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Condition D

- 11 (1) Condition D is that, before the end of the period of 120 days beginning with the effective date of the first transaction, Q provides the Tax Authority with the prescribed evidence that a satisfactory standard security has been registered in the Land Register of Scotland.
- (2) A security is satisfactory for the purposes of condition D if it—
- (a) is a security ranking first granted over the interest transferred to Q,
 - (b) is in favour of the Tax Authority, and
 - (c) is for the amount mentioned in sub-paragraph (3).
- (3) That amount is the total of—
- (a) the amount of the tax which would (apart from paragraph 15) be chargeable on the first transaction if the chargeable consideration for that transaction had been the market value of the interest at that time, and
 - (b) any interest and any penalties which would for the time being be payable on or in respect of that amount of tax, if the tax had been due and payable (but not paid) in respect of the first transaction.

Commencement Information

I5 Sch. 8 para. 11 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Condition E

- 12 Condition E is that the total of the payments of capital made to Q before the termination of the bond is not less than 60% of the value of the interest in the land at the time of the first transaction.

Commencement Information

I6 Sch. 8 para. 12 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Condition F

- 13 Condition F is that Q holds the interest in land as a bond asset until the termination of the bond.

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Commencement Information

I7 Sch. 8 para. 13 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Condition G

- 14 (1) Condition G is that—
- (a) before the end of the period of 30 days beginning with the date on which the interest in the land ceases to be held as a bond asset, that interest is transferred by Q to P (“the second transaction”), and
 - (b) the second transaction is effected not more than 10 years after the first transaction.
- (2) The Scottish Ministers may by regulations amend sub-paragraph (1)(b) by substituting for the period mentioned there such other period as may be specified.

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Commencement Information

I8 Sch. 8 para. 14 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

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