
Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, Cross Heading: Relief not available where bond-holder acquires control of underlying asset. (See end of Document for details)

SCHEDULE 8
RELIEF FOR ALTERNATIVE FINANCE INVESTMENT BONDS

PART 5

SUPPLEMENTARY

Relief not available where bond-holder acquires control of underlying asset

- 24 (1) The reliefs provided by paragraphs 15 and 19 (and paragraph 21 so far as it relates to those paragraphs) are not available if control of the underlying asset is acquired by—
- (a) a bond-holder, or
 - (b) a group of connected bond-holders.
- (2) A bond-holder (BH), or a group of connected bond-holders, acquires control of the underlying asset if—
- (a) the rights of bond-holders under an alternative finance investment bond include the right of management and control of the bond assets, and
 - (b) BH, or the group, acquires sufficient rights to enable BH, or the members of the group acting jointly, to exercise the right of management and control of the bond assets to the exclusion of any other bond-holders.
- (3) In accordance with sub-paragraph (1), in the case of relief provided by paragraph 15—
- (a) if BH, or the group, acquires control of the underlying asset before the end of the period of 30 days beginning with the effective date of the first transaction, paragraph 15 does not apply, and
 - (b) if BH, or the group, acquires control of the underlying asset after the end of that period and conditions A to C have been met, the relief is treated as withdrawn under paragraph 16.

Commencement Information

II Sch. 8 para. 24 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 25 (1) But paragraph 24 does not prevent the reliefs being available in either of the following cases.
- (2) The first case is where—
- (a) at the time that the rights were acquired BH (or all of the connected bond-holders) did not know and had no reason to suspect that the acquisition enabled the exercise of the right of management and control of the bond assets to the exclusion of other bond-holders, and
 - (b) as soon as reasonably practicable after BH (or any of the bond-holders) becomes aware that the acquisition enables that exercise, BH transfers (or some or all of the bond-holders transfer) sufficient rights for that no longer to be possible.
- (3) The second case is where BH—
- (a) underwrites a public offer of rights under the bond, and
 - (b) does not exercise the right of management and control of the bond assets.

Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, Cross Heading: Relief not available where bond-holder acquires control of underlying asset. (See end of Document for details)

- (4) In this paragraph, “underwrite”, in relation to an offer of rights under a bond, means to agree to make payments of capital under the bond in the event that other persons do not make those payments.

.....
Commencement Information

I2 Sch. 8 para. 25 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, Cross Heading: Relief not available where bond-holder acquires control of underlying asset.