
Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, PART 5. (See end of Document for details)

SCHEDULE 8
RELIEF FOR ALTERNATIVE FINANCE INVESTMENT BONDS

PART 5

SUPPLEMENTARY

Substitution of asset

- 21 (1) This paragraphs applies if—
- (a) conditions A to C and G are met in relation to an interest in land (“the original land”),
 - (b) Q ceases to hold the original land as a bond asset (and, accordingly, transfers it to P) before the termination of the alternative finance investment bond,
 - (c) P and Q enter into further arrangements falling within paragraph 8 relating to an interest in other land (“the replacement land”), and
 - (d) the value of the interest in the replacement land at the time that it is transferred from P to Q is greater than or equal to the value of the interest in the original land at the time of the first transaction.
- (2) Paragraphs 15 to 20 apply—
- (a) in relation to the original land with the modification set out in sub-paragraph (3), and
 - (b) in relation to the replacement land with the modifications set out in sub-paragraph (4).
- (3) Condition F does not need to be met in relation to the original land if conditions A, B, C, F and G (as modified by sub-paragraph (4)) are met in relation to the replacement land.
- (4) In relation to the replacement land—
- (a) condition E applies as if the reference to the interest in the land were a reference to the interest in the original land, and
 - (b) condition G applies as if the reference in paragraph 14(1)(b) to the first transaction were a reference to the first transaction relating to the original land.
- (5) If the replacement land is in Scotland, the original land ceases to be subject to the security registered in pursuance of condition D when—
- (a) Q provides the Tax Authority with the prescribed evidence that condition G is met in relation to the original land, and
 - (b) condition D is met in relation to the replacement land.
- (6) If the replacement land is not in Scotland, the original land ceases to be subject to the security registered in pursuance of condition D when Q provides the Tax Authority with the prescribed evidence that—
- (a) condition G is met in relation to the original land, and
 - (b) each of conditions A to C is met in relation to the replacement land.

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Commencement Information

I1 Sch. 8 para. 21 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

- 22 (1) Paragraph 21 also applies where the replacement land is replaced by further replacement land.
- (2) In that event—
- (a) the references to the original land (except those in paragraph 21(4)) are to be read as references to the replacement land, and
 - (b) the references to the replacement land are to be read as references to the further replacement land.

Commencement Information

I2 Sch. 8 para. 22 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

Tax Authority to register discharge of security

- 23 (1) Where a security is discharged in accordance with paragraph 20 or 21(5) or (6), the Tax Authority must register the discharge in the Land Register of Scotland.
- (2) The Tax Authority must do so within the period of 30 days beginning with the date on which Q provides the evidence in question.

Commencement Information

I3 Sch. 8 para. 23 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

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

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- (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

I4 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.
- (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

I5 Sch. 8 para. 25 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

Relief not available if purpose of arrangements is improper

- 26 The reliefs provided by paragraph 15 and 19 (and paragraph 21 so far as it relates to those paragraphs) are not available if the arrangements mentioned in paragraph 8—
- (a) are not effected for genuine commercial reasons, or
- (b) form part of arrangements of which the main purpose, or one of the main purposes, is the avoidance of liability to the tax.

Commencement Information

I6 Sch. 8 para. 26 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

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