

*These notes relate to the Land and Buildings Transaction Tax (Scotland)
Act 2013 (asp 11) which received Royal Assent on 31 July 2013*

LAND AND BUILDINGS TRANSACTION TAX (SCOTLAND) ACT 2013

EXPLANATORY NOTES

THE ACT

Part 5 – Application of Act to Certain Persons and Bodies

Section 47 – Residential property holding companies

125. [Section 47](#) confers a power to the Scottish Ministers to make regulations treating certain transfers of interest in residential property holding companies (“RPHCs”) as land transactions and chargeable transactions. These provisions are aimed at the “enveloping” of residential property in a holding company and transferring interests in the company instead of transferring title to the property in the ordinary manner.
126. A key feature of the transactions that are covered by this section, the “qualifying transaction” as set out in subsection (4), is that they will carry with them a right to occupy property owned by the company. A broad parallel can be drawn with the rules for LBTT and property investment partnerships (“PIPs”) in Part 6 of schedule 17.
127. For the purposes of this section, “residential property” includes such other kind of property as may be specified in regulations. Regulations made under this section will be subject to the affirmative procedure if they modify any Act. Otherwise, they will be subject to the negative procedure (see section 68).
128. Defined terms used in this section:

“chargeable transactions”	section 15
“land transaction”	section 3