

SCHEDULE 8  
RELIEF FOR ALTERNATIVE FINANCE INVESTMENT BONDS

**PART 5**

SUPPLEMENTARY

*Substitution of asset*

- 21 (1) This paragraph 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.