

*Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, PART 2. (See end of Document for details)*

## SCHEDULE 7 ALTERNATIVE PROPERTY FINANCE RELIEF

### PART 2

#### ALTERNATIVE PROPERTY FINANCE: ARRANGEMENTS RELIEVED

##### *Land sold to financial institution and leased to person*

- 2 Paragraphs 3 to 6 apply where arrangements are entered into between a person and a financial institution under which the institution—
- (a) purchases a major interest in land (“the first transaction”),
  - (b) grants to the person out of that interest a lease (if the interest acquired is the interest of the owner) or a sub-lease (if the interest acquired is the tenant's right over or interest in a property subject to a lease) (“the second transaction”), and
  - (c) enters into an agreement under which the person has a right to require the institution to transfer the major interest purchased by the institution under the first transaction.

#### Commencement Information

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

- 3 The first transaction is exempt from charge if the seller is—
- (a) the person, or
  - (b) another financial institution by whom the interest was acquired under arrangements of the kind mentioned in paragraph 2 entered into between it and the person.

#### Commencement Information

**I2** Sch. 7 para. 3 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 4 The second transaction is exempt from charge if the provisions of this Act relating to the first transaction are complied with (including payment of any tax chargeable).

#### Commencement Information

**I3** Sch. 7 para. 4 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 5 A transfer to the person that results from the exercise of the right mentioned in paragraph 2(c) (“the third transaction”) is exempt from charge if—
- (a) the provisions of this Act relating to the first and second transactions are complied with, and
  - (b) at all times between the second and third transactions—
    - (i) the interest purchased under the first transaction is held by a financial institution, and

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- (ii) the lease or sub-lease granted under the second transaction is held by the person.

**Commencement Information**

**I4** Sch. 7 para. 5 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 6 The agreement mentioned in paragraph 2(c) is not to be treated—
- (a) as substantially performed unless and until the third transaction is entered into (and accordingly section 14 does not apply), or
  - (b) as a distinct land transaction by virtue of section 12 (options and rights of pre-emption).

**Commencement Information**

**I5** Sch. 7 para. 6 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

*Land sold to financial institution and person in common*

- 7 Paragraphs 8 to 12 apply where arrangements are entered into between a person and a financial institution under which—
- (a) the institution and the person purchase a major interest in land as common owners (“the first transaction”),
  - (b) the institution and the person enter into an agreement under which the person has a right to occupy the land exclusively (“the second transaction”), and
  - (c) the institution and the person enter into an agreement under which the person has a right to require the institution to transfer to the person (in one transaction or a series of transactions) the whole interest purchased under the first transaction.

**Commencement Information**

**I6** Sch. 7 para. 7 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 8 The first transaction is exempt from charge if the seller is—
- (a) the person, or
  - (b) another financial institution by whom the interest was acquired under arrangements of the kind mentioned in paragraph 7 entered into between it and the person.

**Commencement Information**

**I7** Sch. 7 para. 8 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 9 The second transaction is exempt from charge if the provisions of this Act relating to the first transaction are complied with (including payment of any tax chargeable).

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**Commencement Information**

**I8** Sch. 7 para. 9 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 10 Any transfer to the person that results from the exercise of the right mentioned in paragraph 7(c) (“a further transaction”) is exempt from charge if—
- (a) the provisions of this Act relating to the first transaction are complied with, and
  - (b) at all times between the first and the further transaction—
    - (i) the interest purchased under the first transaction is held by a financial institution and the person as common owners, and
    - (ii) the land is occupied by the person under the agreement mentioned in paragraph 7(b).

**Commencement Information**

**I9** Sch. 7 para. 10 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 11 The agreement mentioned in paragraph 7(c) is not to be treated—
- (a) as substantially performed unless and until the whole interest purchased by the institution under the first transaction has been transferred (and accordingly section 14 does not apply), or
  - (b) as a distinct land transaction by virtue of section 12 (options and rights of pre-emption).

**Commencement Information**

**I10** Sch. 7 para. 11 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

- 12 A further transaction that is exempt from charge by virtue of paragraph 10 is not a notifiable transaction unless the transaction involves the transfer to the person of the whole interest purchased by the institution under the first transaction, so far as not transferred by a previous further transaction.

**Commencement Information**

**I11** Sch. 7 para. 12 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

*Land sold to financial institution and re-sold to person*

- 13 Paragraphs 14 and 15 apply where arrangements are entered into between a person and a financial institution under which—
- (a) the institution—
    - (i) purchases a major interest in land (“the first transaction”), and
    - (ii) sells that interest to the person (“the second transaction”), and
  - (b) the person grants the institution a standard security over that interest.

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**Commencement Information**

**I12** Sch. 7 para. 13 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

- 14 The first transaction is exempt from charge if the seller is—
- (a) the person, or
  - (b) another financial institution by whom the interest was acquired under other arrangements of the kind mentioned in paragraph 2 or 7 entered into between it and the person.

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**Commencement Information**

**I13** Sch. 7 para. 14 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

- 15 The second transaction is exempt from charge if the financial institution complies with the provisions of this Act relating to the first transaction (including the payment of any tax chargeable on a chargeable consideration that is not less than the market value of the interest and, in the case of the grant of a lease, the rent).

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**Commencement Information**

**I14** Sch. 7 para. 15 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

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