

POLICY NOTE

THE LAND AND BUILDINGS TRANSACTION TAX (DEFINITION OF CHARITY) (RELEVANT TERRITORIES) (SCOTLAND) REGULATIONS 2014

SSI 2014/352

The instrument above was made in exercise of the powers conferred by paragraph 15(3)(d) of schedule 13 (charities relief) to the Land and Buildings Transaction Tax (Scotland) Act 2013 (“LBTT(S)A 2013”). It is subject to the negative procedure.

Policy Objectives

Using the power in paragraph 15(3)(d) of schedule 13 to LBTT(S)A 2013 this instrument adds to the list of qualifying territories from which a body registered as a charity may originate and be eligible to claim charities relief.

Consultation

A consultation paper¹ was published on 1 May 2014 inviting views by 25 July 2014 on a draft of these regulations. The Scottish Government received 20 responses to the consultation, all from organisations. No responses were received from individuals. Half of those responding to the consultation represented the legal and accountancy sector. Six retail bodies responded; and four respondents were from the property sector. An analysis of the consultation responses² was published by the Scottish Government in December 2014.

In the consultation paper, the Scottish Government proposed to add the Republic of Iceland and the Kingdom of Norway to the list of relevant territories for the purposes of charities relief.

There was consensus amongst the ten respondents who provided a view that the Republic of Iceland and the Kingdom of Norway should be added to the list of relevant territories for the purposes of charities relief. One respondent suggested adding the Principality of Liechtenstein to the list of relevant territories in order to ensure consistency with changes coming into effect for UK Stamp Duty Land Tax (“SDLT”) under the Taxes (Definition of Charity) (Relevant Territories) (Amendment) Regulations 2014 (SI 2014/1807).

Taking the views of those who responded to the consultation into account, the Scottish Government has added the Republic of Iceland, the Kingdom of Norway and the Principality of Liechtenstein to the list of relevant territories for the purposes of charities relief.

¹ ‘Moving Forward with Land and Buildings Transaction Tax – A Consultation on Proposed Subordinate Legislation’, published May 2014, available at:
<http://www.scotland.gov.uk/Resource/0044/00449463.pdf>

² ‘Moving Forward with Land and Buildings Transaction Tax – A Consultation on Proposed Subordinate Legislation: an Analysis’ published December 2014, available at:
<http://www.scotland.gov.uk/Publications/2014/12/9439>

Impact Assessments

A Business and Regulatory Impact Assessment³ (“BRIA”) has been published for the regulations and orders associated with LBTT(S)A 2013. As the Scottish Government’s approach to these reliefs broadly mirrors the current approach for SDLT, no significant financial effect or impact on the private, voluntary or public sector is anticipated.

An Equality Impact Assessment (“EQIA”) has been published⁴. The regulations will have no impact on environmental issues.

Scottish Government
Finance Directorate
Fiscal Responsibility Division

³ ‘Land and Buildings Transaction Tax - Business and Regulatory Impact Assessment’, published December 2014, available at: www.scotland.gov.uk/lbt-bria2014

⁴ ‘Land and Buildings Transaction Tax - Equalities Impact Assessment’, published December 2014, available at: <http://www.scotland.gov.uk/Publications/2014/12/5671>