



# Land and Buildings Transaction Tax (Scotland) Act 2013

2013 asp 11

## PART 2

### KEY CONCEPTS

## CHAPTER 3

### CHARGEABLE TRANSACTIONS AND CHARGEABLE CONSIDERATION

#### *Deemed market value*

#### **22 Deemed market value where transaction involves connected company**

- (1) This section applies where the buyer is a company and—
  - (a) the seller is connected with the buyer, or
  - (b) some or all of the consideration for the transaction consists of the issue or transfer of shares in a company with which the seller is connected.
- (2) The chargeable consideration for the transaction is to be taken to be not less than—
  - (a) the market value of the subject-matter of the transaction as at the effective date of the transaction, and
  - (b) if the acquisition is the grant of a lease, the rent.
- (3) In this section—

“company” means a body corporate,

“shares” includes stock and the reference to shares in a company includes reference to securities issued by a company.
- (4) Where this section applies, paragraph 1 of schedule 1 (exemption of transactions for which there is no chargeable consideration) does not apply.
- (5) But this section has effect subject to any other provision affording exemption or relief from the tax.

*Status: Point in time view as at 01/04/2015.*

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

(6) This section is subject to the exceptions provided for in section 23.

#### **Commencement Information**

**I1** [S. 22](#) in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

### **23 Exceptions from deemed market value**

- (1) Section 22 does not apply in the following cases.
- (2) In the following provisions “the company” means the company that is the buyer in relation to the transaction in question.
- (3) Case 1 is where immediately after the transaction the company holds the property as trustee in the course of a business carried on by it that consists of or includes the management of trusts.
- (4) Case 2 is where—
  - (a) immediately after the transaction the company holds the property as trustee, and
  - (b) the seller is connected with the company only because of section 1122(6) of the Corporation Tax Act 2010 (c.4).
- (5) Case 3 is where—
  - (a) the seller is a company and the transaction is, or is part of, a distribution of the assets of that company (whether or not in connection with its winding up), and
  - (b) it is not the case that—
    - (i) the subject-matter of the transaction, or
    - (ii) an interest from which that interest is derived,
 has, within the period of 3 years immediately preceding the effective date of the transaction, been the subject of a transaction in respect of which group relief was claimed by the seller.

#### **Commencement Information**

**I2** [S. 23](#) in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

**Status:**

Point in time view as at 01/04/2015.

**Changes to legislation:**

There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, Cross Heading: Deemed market value.