

Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, PART 3. (See end of Document for details)

SCHEDULE 11 RECONSTRUCTION RELIEF AND ACQUISITION RELIEF

PART 3

ACQUISITION RELIEF

The relief

- 6 (1) This paragraph applies where—
- (a) a land transaction is entered into for the purposes of or in connection with the transfer of an undertaking or part of an undertaking, and
 - (b) the qualifying conditions are met.
- (2) The tax chargeable in respect of the transaction is the prescribed proportion of the tax that would otherwise be chargeable but for this paragraph.
- (3) The prescribed proportion is such proportion as may be prescribed by the Scottish Ministers by order.

Commencement Information

- I1** Sch. 11 para. 6 in force at 7.11.2014 for specified purposes by [S.S.I. 2014/279](#), [art. 2](#), [Sch.](#)
- I2** Sch. 11 para. 6 in force at 1.4.2015 in so far as not already in force by [S.S.I. 2015/108](#), [art. 2](#)

Qualifying conditions

- 7 The qualifying conditions are—
- (a) that a company (“the acquiring company”) acquires the whole or part of the undertaking of another company (“the target company”),
 - (b) that the consideration for the acquisition consists wholly or partly of the issue of non-redeemable shares in the acquiring company to—
 - (i) the target company, or
 - (ii) all or any of the target company's shareholders,
 - (c) that the acquiring company is not associated with another company that is a party to arrangements with the target company relating to shares of the acquiring company issued in connection with the transfer of the undertaking or part,
 - (d) that the undertaking or part acquired by the acquiring company has as its main activity the carrying on of a trade that does not consist wholly or mainly of dealing in chargeable interests,
 - (e) that the acquisition—
 - (i) is effected for bona fide commercial reasons, and
 - (ii) does not form part of arrangements the main purpose, or one of the main purposes, of which is the avoidance of liability to the tax.

Commencement Information

- I3** Sch. 11 para. 7 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

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- 8 Where the consideration for the acquisition consists partly of the issue of non-redeemable shares as mentioned in qualifying condition (b), that condition is met only if the rest of the consideration consists wholly of—
- (a) cash not exceeding 10% of the nominal value of the non-redeemable shares so issued,
 - (b) the assumption or discharge by the acquiring company of liabilities of the target company, or
 - (c) both of those things.

Commencement Information

I4 Sch. 11 para. 8 in force at 1.4.2015 by [S.S.I. 2015/108](#) , **art. 2**

Interpretation

- 9 For the purposes of qualifying condition (c)—
- (a) companies are associated if one has control of the other or both are controlled by the same person or [^{F1}persons],
 - (b) “control” is to be construed in accordance with section 1124 of the Corporation Tax Act 2010 (c.4).

Textual Amendments

F1 Word in Sch. 11 para. 9(a) substituted (1.1.2015) by [Revenue Scotland and Tax Powers Act 2014 \(asp 16\)](#) , s. 260(2) , **Sch. 4 para. 9(21)(c)** (with ss. 257-259) ; [S.S.I. 2014/370](#) , **art. 2** , Sch.

Commencement Information

I5 Sch. 11 para. 9 in force at 1.4.2015 by [S.S.I. 2015/108](#) , **art. 2**

- 10 In this Part of this schedule, “trade” includes any venture in the nature of trade.

Commencement Information

I6 Sch. 11 para. 10 in force at 1.4.2015 by [S.S.I. 2015/108](#) , **art. 2**

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