

# **CORONAVIRUS (SCOTLAND) (NO.2) ACT 2020**

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## **EXPLANATORY NOTES**

### **DETAIL ABOUT PROVISIONS**

#### ***Schedule 4: Other measures in response to coronavirus***

##### **Restriction on giving grant to businesses connected to tax havens**

167. Schedule 4, Part 12 introduces new conditions in relation to tax havens that must be met before the Scottish Ministers, or any public body administering grants on their behalf, may make a coronavirus-related grant to a company.
168. Paragraph 16(1) requires the Scottish ministers to take steps to satisfy themselves that the conditions are met.
169. Paragraph 16(2) further clarifies that a coronavirus-related grant may not be made if the conditions are not met.
170. Paragraph 16(3) provides that if, after a grant has been made, it is established that the conditions were not in fact met, the grant will be immediately repayable by the grantee.
171. Paragraph 16(4) sets out the conditions that must be met. Namely, that the grantee company must not be based in a tax haven, the subsidiary of a company based in a tax haven, the parent company of a subsidiary based in a tax haven nor party to an arrangement under which any of its profits are subject to the tax regime of a tax haven.
172. Paragraph 16(7) sets out the key definitions for this paragraph. It is specified that “tax havens” are as defined in the revised EU list of non-cooperative jurisdictions for tax purposes (2020/C 64/03).