

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order modifies the Land and Buildings Transaction Tax (Scotland) Act 2013 (“the Act”) to modify schedule 10 of the Act which provides for group relief. In terms of paragraph 3 of that schedule relief is not available if at the effective date there are in place arrangements by virtue of which a person or persons get control of or could obtain control of the buyer but not the seller. In terms of the amendment group relief is not lost if shares in the company are mortgaged by a legal or equitable charge provided the contingency allowing the mortgage to be called up does not arise. The modification also gives the same relief in the case an arrangement in Scotland analogous to a pledge but with rights (not rights in security) in shares or securities transferred to a creditor subject to the creditor’s obligation to retransfer the rights back to the debtor if certain conditions are met.