Draft Legislation: This is a draft item of legislation and has not yet been made as a Scottish Statutory Instrument. This draft has been replaced by a new draft, The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021 ISBN 978-0-11-104814-6

SCHEDULE 1

Persons who have significant influence or control over another

PART 5

Overseas entities

Interpretation of Part 5

- **22.**—(1) A person holds a right "indirectly" if the person has a majority stake in an overseas entity and that entity—
 - (a) holds that right, or
 - (b) is part of a chain of legal entities—
 - (i) each of which (other than the last) has a majority stake in the entity immediately below it in the chain, and
 - (ii) the last of which holds that right.
 - (2) For these purposes, a person ("A") has a "majority stake" in a legal entity ("B") if—
 - (a) A holds a majority of the voting rights in B,
 - (b) A is a member of B and has the power to appoint or remove a majority of the board of directors of B,
 - (c) A is a member of B and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in B, or
 - (d) A has the right to exercise, or actually exercises, control over B.
- (3) In the application of this paragraph to the power to appoint or remove a majority of the board of directors, a legal entity is to be treated as having the right to appoint a director if—
 - (a) a person's appointment as a director follows necessarily from that person's appointment as director of the legal entity, or
 - (b) the directorship is held by the legal entity itself.