

POLICY NOTE

THE LAND REFORM (SCOTLAND) ACT 2016 (REGISTER OF PERSONS HOLDING A CONTROLLED INTEREST IN LAND) AMENDMENT REGULATIONS 2023

SSI 2023/XXX

The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Amendment Regulations 2023 were made in exercise of the powers conferred under The Land Reform (Scotland) Act 2016. The instrument is subject to affirmative procedure.

Summary Box

Purpose of the Instrument

The purpose of the instrument is to amend The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021. The 2021 Regulations set out extensive provision for the establishment of a Register of controlled interests in land. The Register requires the registration of the owners and tenants of land (known as recorded persons), and persons or entities who have control over how the recorded person uses the land (known as associates). The Register came into force on 1 April 2022. However, there is a transitional period in respect of the offence provisions. This transitional period is due to come to an end on 1 April 2023.

This instrument amends the 2021 Regulations to extend the transitional period by 12 months to 1 April 2024.

Policy Objectives

The purpose of the Register of Persons Holding a Controlled Interest in Land (“the Register”) is to increase public transparency in relation to individuals who have control over decision-making in relation to land.

The 2021 Regulations followed the super-affirmative procedure and were subject to significant policy development including two public consultations and consultation with key stakeholders. In addition there was considerable Parliamentary scrutiny, including multiple Committee evidence sessions, over the course of three Parliamentary laying periods.

Despite the extensive consultation and Parliamentary scrutiny, in recent months, some stakeholders have raised concerns in relation to the cost of compliance with the RCI and the maintenance of entries, owing to the number of titles they hold or the complex nature of their structure.

Extending the transitional period by 12 months will ease the burden on those in scope of the RCI by giving them more time to prepare their submissions before the offence provisions take effect. The requirement to register is maintained, but an extension alleviates the

immediate pressure to comply at this difficult time, owing to Brexit, Covid, and inflationary pressures.

An extended transitional period will also allow for a further, targeted programme of stakeholder engagement and awareness raising.

Consultation

In accordance with section 39(7) of The Land Reform (Scotland) Act 2016, the instrument was prepared in consultation with the Keeper of the Registers of Scotland (“the Keeper”).

The Keeper has confirmed that the instrument is workable from a Registers of Scotland perspective and they will be in a position to manage the impact of the amendment on RCI registrations.

Impact Assessments

This instrument does not change the purpose of, or requirements in relation to the Register of Persons Holding a Controlled Interest in Land in the 2021 Regulations, and so it is accounted for in the impact assessments carried out for those Regulations. The following impact assessments for the Regulations for the Register have been published:

- The Data Protection Impact Assessment (DPIA)
- The Business and Regulatory Impact Assessment (BRIA)
- The Equalities Impact Assessment (EQIA)

Financial Effects

This instrument does not introduce any additional requirements to those contained in The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021. A Business and Regulatory Impact Assessment (BRIA) was completed for the 2021 Regulations.

Scottish Government officials were in contact with key stakeholders throughout the development of The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021 and also met with them during the consultation on those Regulations. These were broadly representative of potential business interests.

Scottish Government
Directorate for Agriculture and Rural Economy
January 2023