

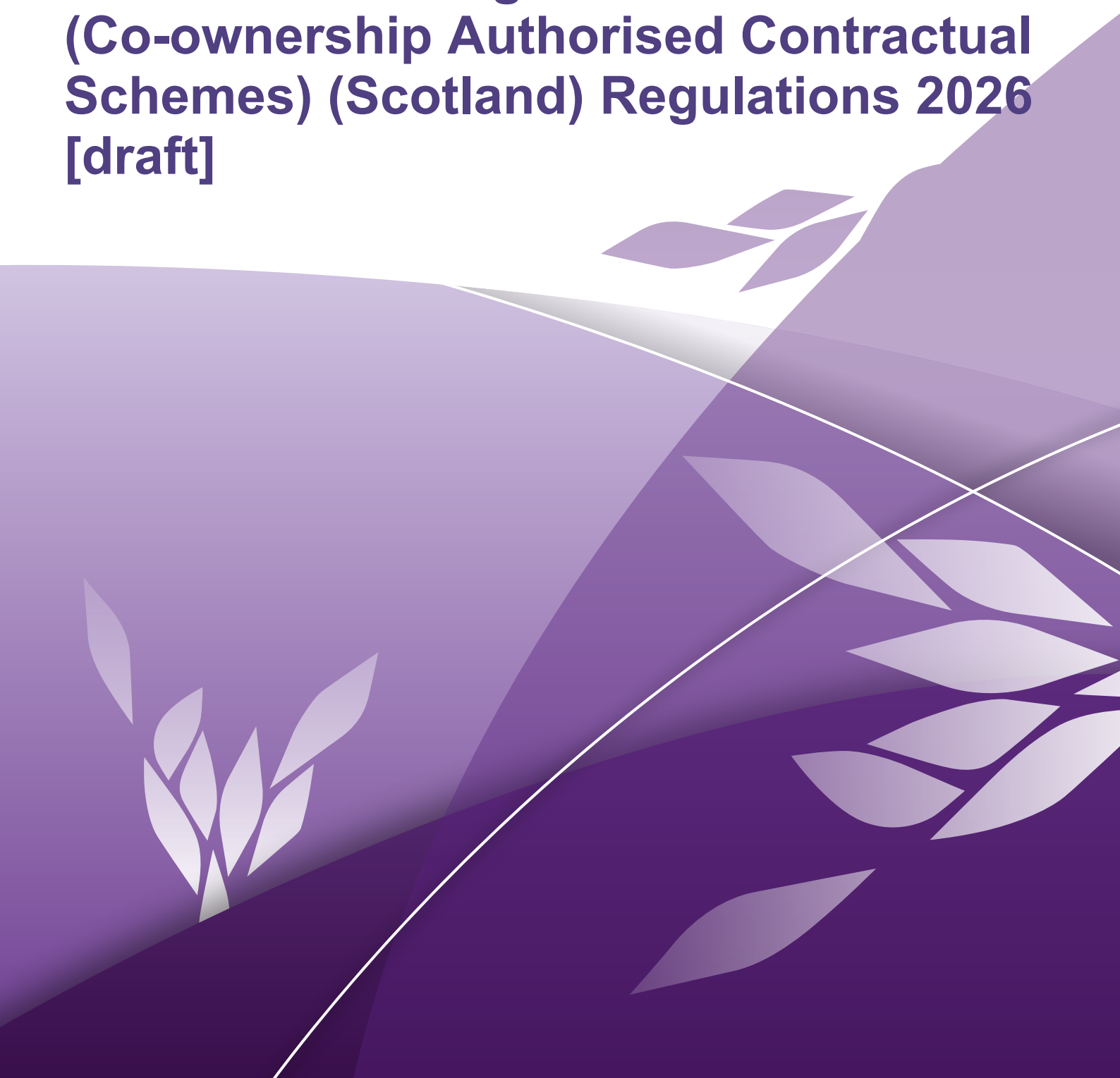


The Scottish Parliament
Pàrlamaid na h-Alba

Published 6 February 2026
SP Paper 993
5th Report, 2026 (Session 6)

Finance and Public Administration Committee

Land and Buildings Transaction Tax (Co-ownership Authorised Contractual Schemes) (Scotland) Regulations 2026 [draft]



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Finance and Public Administration Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

- (a) any report or other document containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made by any other committee with power to consider such documents or any part of them;
- (b) any report made by a committee setting out proposals concerning public revenue or expenditure;
- (c) Budget Bills; and
- (d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.
- (e) matters relating to the National Performance Framework within the responsibilities of the Deputy First Minister, public service reform within the responsibility of the Cabinet Secretary for Finance and Local Government, and public administration.



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Background

1. At its meeting of 3 February 2026, the Finance and Public Administration Committee considered the Land and Buildings Transaction Tax (Co-ownership Authorised Contractual Schemes) (Scotland) Regulations 2026 [draft].
2. The report summarises the Committee's consideration of the instrument.

The Instrument

3. The Policy Note ¹ explains that this instrument “inserts a new paragraph 7A into schedule 1 of the Land and Buildings Transaction Tax (Scotland) Act 2013 Act to provide that various transactions in connection with units in co-ownership authorised contractual schemes are exempt from Land and Buildings Transaction Tax”.
4. According to the Policy Note, the exemption “is intended to support investment in Scottish land and property by co-ownership authorised contractual schemes”.
5. Co-ownership authorised contractual schemes are “a particular kind of investment scheme established under the Financial Services and Markets Act 2000”. The schemes “acquire and hold investments including land and property” and the scheme participants “can acquire or sell an interest in the schemes, which are known as units”.
6. The exemption “is intended to ensure that transactions do not give rise to a tax liability under the Land and Buildings Transaction Tax (Scotland) Act 2013” but does not extend to “the initial acquisition by the scheme of land or property situated in Scotland”.
7. The Policy Note further states that several impact assessments have been carried out. The impact assessments have not highlighted any unintended consequences.
8. The financial effects of the instrument have been considered by the SFC in their January 2026 forecasts ² . The SFC concluded that “given the overall intended effect is tax neutrality, we judge this policy to have a negligible effect on LBTT revenues”.
9. The Scottish Government consulted on the instrument and received 18 responses. The analysis of the responses to the consultation “will be published separately”. It is further noted that the “proposed exemption was also discussed as part of the Scottish Government’s regular engagement with stakeholders”.

Delegated Powers and Law Reform Committee consideration

10. The DPLR Committee considered the instrument on 13 January 2026 and reported on it in its *6th Report, 2026*³. The DPLR Committee made no recommendations in relation to the instrument.

Consideration of the Finance and Public Administration Committee

11. At its meeting on 3 February 2026, the Committee took evidence on the instrument from the Ivan McKee MSP, Minister for Public Finance ('the Minister') and Scottish Government officials.
12. In his opening statement the Minister set out the Scottish Government's reasons for the laying of the instrument.
13. Members discussed with the Minister the practical implications of the instrument and the effect of the tax exemption on the integrity of the LBTT framework.
14. Following questions, the Minister moved the following motion—

S6M-20588⁴ - That the Finance and Public Administration Committee recommends that the Land and Buildings Transaction Tax (Co-ownership Authorised Contractual Schemes) (Scotland) Regulations 2026 [draft] be approved.

15. **Motion S6M-20588 was agreed to by division (For 5, Against 0, Abstentions 1). The Finance and Public Administration Committee therefore recommends that the Land and Buildings Transaction Tax (Co-ownership Authorised Contractual Schemes) (Scotland) Regulations 2026 [draft] be approved.**

- [1] Policy Note. (2026). Retrieved from https://www.legislation.gov.uk/sdsi/2026/9780111064818/pdfs/sdsipn_9780111064818_en_001.pdf
- [2] Scottish Fiscal Commission. (2026). Scotland's Economic and Fiscal Forecasts. Retrieved from <https://fiscalcommission.scot/wp-content/uploads/2026/01/Scotlands-Economic-and-Fiscal-Forecasts-January-2026-revised-13-01-2026.pdf>
- [3] Delegated Powers and Law Reform Committee. (2026). Subordinate Legislation considered by the Delegated Powers and Law Reform Committee on 13 January 2026. Retrieved from <https://bprcdn.parliament.scot/published/DPLR/2026/1/14/63cef185-300a-485c-bfa1-c58c2f7c5aed/DPLRS062026R6.pdf>
- [4] S6M-20588. (2026). Retrieved from <https://www.parliament.scot/chamber-and-committees/votes-and-motions/S6M-20588>

