

Scottish Executive holds key

Who owns Scotland?: A short-term answer

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Land Reform legislation of the type required to end the [large-scale tax avoidance](#) under the cover of secret ownership of the countryside hardly registers on the UK government agenda.

However, an opportunity to lever land tax and tax up the political agenda is sitting in the lap of the Scottish Executive.

The [Scottish Law Commission](#) is currently planning a review of the Land Registration (Scotland) Act 1979 and the law of trusts in what is basically a technical and legalistic tidying up job.

At present, the Act requires all property sales to be recorded at the [Land Register](#) in Edinburgh. While the names of companies carrying out the deals must be recorded, there is no obligation to reveal the real identity of the owners. Because of that, large areas of Scotland's land are held in secret ownership by offshore companies beyond the reach of UK tax authorities.

It would take ministerial direction from the Scottish Executive for the [Law Commission review](#) to incorporate concerns over land ownership transparency. The same concerns have already been raised with the UK government in the [2001 Review](#) of the [English and Welsh Land Registry](#) by Andrew Edwards, but they have not been acted on.

Legislation in Scotland requiring the revelation of true ownership could outlaw the ownership of property by nominee companies, offshore firms and private trusts. Simultaneous or subsequent legislation would be required in England and Wales, as the Edwards report recommended, but Scotland would be seen to have taken a lead in ending the secret system of land ownership and tax avoidance in Britain.

Simply requiring all owners of land to register their true controlling interests would be a starting point. Nobody really knows who owns most of Scotland. The Land Register is incomplete and, were it not for the work of the late John McEwen, a retired forester who produced the original *Who Owns Scotland* book in 1977, little would be known.

It took another forester, Andy Wightman, to pick up where McEwen left off and produce the most comprehensive register of [Who Owns Scotland](#) to date. Wightman has been at the forefront of balanced and progressive arguments for land reform for

the past decade and is keenly aware of the need for a complete land register as a first step to reform.

What might make the Treasury finally act is that the rising value of urban properties is prompting middle-income families to consider setting up trust companies for their own homes, so avoiding inheritance tax when they die and the properties pass on to their children. At today's rate, the first £255,000 inherited is tax-free, with any remaining legacy taxed at 40 percent. According to accountants, more and more urban clients are considering the tricks used by wealthy rural landowners to avoid paying tax.

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Further Information

Visit the *Who Owns Scotland* website www.whoownsscotland.org.uk for details of who the private owners of rural Scotland are.

The Scottish Law Commission's review of Land Registration in Scotland is available as a consultation paper:

Scottish Law Commission, Discussion Paper No 125

Discussion Paper on Land Registration: Void and Voidable Titles

http://www.scotlawcom.gov.uk/downloads/dp125_land_reg.pdf