SCOTTISH STATUTORY INSTRUMENTS

2026 No. 70

RATING AND VALUATION

The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026

Made - - - -	*10th February 2026*
Laid before the Scottish Parliament	*12th February 2026*
Coming into force - -	*1st April 2026*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994(**a**), section 14 of the Non-Domestic Rates (Scotland) Act 2020(**b**) ("the 2020 Act") and all other powers enabling them to do so.

In accordance with section 14(5) of the 2020 Act the Scottish Ministers have consulted such persons as they consider appropriate.

PART 1

Introductory

Citation and commencement

1. These Regulations may be cited as the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026 and come into force on 1 April 2026.

Interpretation – general

2. In these Regulations—

"the 1962 Act" means the Local Government (Financial Provisions etc.) (Scotland) Act 1962(**c**),

"the 1966 Act" means the Local Government (Scotland) Act 1966(**d**),

"the 1975 Act" means the Local Government (Scotland) Act 1975(**e**),

(**a**) 1994 c. 39. Section 153 was amended by section 67 of the Climate Change (Scotland) Act 2009 (asp 12), section 15 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4) and paragraph 7 of schedule 4 of the Coronavirus (Scotland) (No. 2) Act 2020 (asp 10). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46).
(**b**) 2020 asp 4.
(**c**) 1962 c. 9.
(**d**) 1966 c. 51.
(**e**) 1975 c. 30.

"the 1997 Act" means the Local Government and Rating Act 1997(**a**),

"the 2025 Regulations" means the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2025(**b**),

"electronic communication" has the meaning given in section 15(1) of the Electronic Communications Act 2000(**c**),

"new entry", in relation to a merged, split or reorganised entry, means an entry in the roll taking effect from the day on which the merged, split or reorganised entry takes effect,

"New and Improved Property Relief Regulations" means the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022(**d**),

"old entry", in relation to a merged, split or reorganised entry, means an entry in the roll for the day immediately prior to the day from which the merged, split or reorganised entry takes effect,

"part residential subjects" has the meaning given in section 99(1) of the Local Government Finance Act 1992(**e**),

"rateable value", in relation to lands and heritages at a particular date, means—

(a) in the case of part residential subjects, the rateable value entered in the roll for that date and apportioned to the non-residential use of those subjects,

(b) in any other case, the rateable value entered in the roll for that date in respect of those lands and heritages,

and includes a rateable value so entered with retrospective effect,

"rates" means non-domestic rates levied under section 7B of the 1975 Act(**f**),

"the relevant year" means the period of 12 months beginning with 1 April 2026,

"revaluation" means the calculation of the rateable value of lands and heritages in connection with the making up of a valuation roll under section 1(1) of the 1975 Act,

"the roll" means a valuation roll made up under section 1(1) of the 1975 Act.

Interpretation – mergers

3. In these Regulations—

"merged entry" means any entry in the roll taking effect on a day in the relevant year as a result of the lands and heritages shown in two or more old entries being shown in a single new entry where—

(a) none of the lands and heritages shown in the relevant old entries are shown in a new entry, other than in the merged entry, and

(b) the merged entry does not show any lands and heritages shown in an old entry, other than in the relevant old entries,

"the relevant old entries", in relation to a merged entry, means the old entries which showed the lands and heritages shown in the merged entry.

(**a**) 1997 c. 29.
(**b**) S.S.I. 2025/38.
(**c**) 2000 c. 7. Section 15(1) was amended by paragraph 158 of schedule 17 of the Communications Act 2003 (c. 21).
(**d**) S.S.I. 2022/49 which was amended by S.S.I. 2023/30, S.S.I. 2023/31 and S.S.I. 2024/5.
(**e**) 1992 c. 14.
(**f**) Section 7B was inserted in substitution for section 7A by section 110(2) of the Local Government Finance Act 1992 (c. 14) and amended by paragraph 100(4) of schedule 13 of the Local Government etc. (Scotland) Act 1994 (c. 39).

Interpretation – splits

4. In these Regulations—

"split entry" means any entry in the roll taking effect on a day in the relevant year as a result of lands and heritages shown in a single old entry being shown in two or more new entries, where—

(a) none of those new entries show lands and heritages shown in an old entry, other than in the relevant old entry, and

(b) no lands and heritages shown in the relevant old entry are shown in a new entry, other than in those new entries,

"the relevant old entry", in relation to a split entry, means the old entry which showed the lands and heritages shown in the split entry.

Interpretation – reorganisations

5. In these Regulations—

"reorganised entry" means any entry in the roll taking effect on a day in the relevant year which is not a split or a merged entry and which shows lands and heritages—

(a) which were to any extent shown in two or more old entries, or

(b) which are part only of lands and heritages shown in a single old entry and the other part of which is shown to any extent in one or more other new entries,

"the relevant old entries", in relation to a reorganised entry, means the old entries affected by the reorganisation which gave rise to that entry,

"reorganisation" means a situation where, with effect from a day in the relevant year, lands and heritages shown immediately before that day in two or more old entries are shown in two or more new entries, each of which is a reorganised entry.

PART 2

Transitional relief

Application of Parts 2 and 4

6.—(1) Subject to paragraphs (2) to (4), this Part and Part 4 apply to lands and heritages—

(a) which were shown in the roll on 1 April 2026, and

(b) for all or any part of which there was an entry, or were entries, in the roll on 31 March 2026.

(2) This Part does not apply to lands and heritages shown in an entry in the roll on 1 April 2026 if—

(a) that entry showed a nil rateable value, or

(b) the only lands and heritages shown in that entry which were to any extent shown in the roll on 31 March 2026 had a nil rateable value on 1 April 2026.

(3) This Part does not apply to any lands and heritages shown in an entry if the only lands and heritages that were to any extent shown in the roll on 31 March 2026 had a nil rateable value on 31 March 2026 but had a rateable value above zero on 1 April 2026.

(4) Where a merged, split or reorganised entry takes effect on a date after 1 April 2026, this Part and Part 4 cease to apply to the lands and heritages shown in that entry, as from the date on which the merged, split or reorganised entry takes effect.

Amount payable as rates

7. Where the notional liability of any lands and heritages to which this Part applies, calculated in accordance with regulation 8, is more than the transitional limit for those lands and heritages, calculated in accordance with regulation 9, the amount payable as rates in respect of those lands and heritages is, subject to Part 3, that transitional limit.

Notional liability

8. The notional liability of any lands and heritages to which this Part applies, on any day, is to be calculated in accordance with the formula—

$$\frac{RV \times PF}{365}$$

where—

RV is the rateable value of those lands and heritages on that day, and

PF is the poundage figure of—

(a) 0.548 where the lands and heritages have a rateable value exceeding £100,000,

(b) 0.535 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,

(c) 0.481 where the lands and heritages which have a rateable value of £51,000 or less.

Transitional limit

9.—(1) Subject to paragraph (3), the transitional limit of any lands and heritages to which this Part applies, on any day, is to be calculated as follows—

(a) where the rateable value for that day exceeds the rateable value at revaluation on 1 April 2026, the transitional limit is calculated in accordance with the formula—

$$\frac{(BL \times X) + ((CRV - RV) \times PF)}{365}$$

(b) in any other case the transitional limit is calculated in accordance with the formula—

$$\frac{BL \times X \times CRV}{365 \times RV}$$

(2) For the purposes of paragraph (1)—

BL is the base liability of the lands and heritages, calculated in accordance with regulation 10,

CRV is the rateable value of the lands and heritages on the day with reference to which the transitional limit is calculated,

RV is the rateable value of the lands and heritages entered in the roll at revaluation on 1 April 2026,

PF is the poundage figure of—

(a) 0.548 where the lands and heritages have a rateable value exceeding £100,000,

(b) 0.535 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,

(c) 0.481 where the lands and heritages have a rateable value of £51,000 or less, and

X is—

(a) 1.500 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £100,000,

(b) 1.300 where at revaluation on 1 April 2026 the lands and heritages had a rateable value between £20,001 and £100,000,

(c) 1.150 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of £20,000 or less.

(3) Where relief is granted under regulation 10C(**a**) (relief granted – financial year 2026-2027 - lands and heritages in respect of which a relevant increase has been made within the previous 12 months) of the New and Improved Property Relief Regulations the transitional limit is calculated in accordance with paragraph (5) of that regulation.

Base liability

10.—(1) For the purposes of regulation 9, the base liability of any lands and heritages is—

(a) in the case of lands and heritages shown in a split or reorganised entry taking effect on 1 April 2026, to be calculated in accordance with the formula—

$$\frac{NL \times 365}{X}$$

where—

NL is the notional liability of those lands and heritages, calculated in accordance with regulation 8, and

X is—

(i) 1.4 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £100,000,

(ii) 1.25 where at revaluation on 1 April 2026 the lands and heritages had a rateable value between £20,001 and £100,000,

(iii) 1.2 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of £20,000 or less,

(b) in any other case, the deemed amount (or, in the case of a merged entry taking effect on 1 April 2026, the total deemed amount) calculated in accordance with paragraph (2).

(2) In paragraph (1)(b), the deemed amount in respect of any lands and heritages is the amount which would have been payable as rates in respect of those lands and heritages for the financial year ending 31 March 2026, had that amount been calculated on the basis of the rateable value of the lands and heritages on 31 March 2026, including any additional amounts of rates payable in terms of regulation 5 (amount payable as rates – lands and heritages with rateable value exceeding £51,000, but not exceeding £100,000) or 6 (amount payable as rates – lands and heritages with rateable value exceeding £100,000) of the 2025 Regulations, but before applying any reliefs.

(**a**) Regulation 10C is inserted by regulation 16 of these Regulations.

PART 3

Interaction with other reductions and reliefs

Charitable and other reductions

11.—(1) This regulation has effect for determining the amount payable as rates in respect of lands and heritages on a day in the relevant year where—

(a) that amount falls to be reduced by virtue of relief provided for in one or more enactments, other than Part 2 of these Regulations,

(b) regulation 7 has effect as regards those lands and heritages on that day, and

(c) regulation 12 does not have effect as regards those lands and heritages on that day.

(2) Where there is an entitlement to relief under both an enactment referred to in paragraph (1)(a) and under regulation 7, relief under the enactment referred to in paragraph (1)(a) is to be applied to the amount of rates payable after regulation 7 is applied.

Partially unoccupied lands and heritages

12.—(1) This regulation has effect for determining the amount payable as rates in respect of lands and heritages on a day in the relevant year where—

(a) on that day those lands and heritages are subject to an apportionment under section 24A of the 1966 Act(**a**), and

(b) regulation 7 has effect as regards those lands and heritages on that day.

(2) The amount payable is, subject to paragraph (3), to be calculated in accordance with the formula—

$$A \times \frac{ARV}{RV}$$

where—

A is the amount payable for the day determined under regulation 7,

ARV is the applicable rateable value, being the rateable value treated for rating purposes as the rateable value of the lands and heritages in terms of section 24A(2) of the 1966 Act, and

RV is the rateable value shown in the roll for those lands and heritages.

(3) Where—

(a) this regulation has effect as regards lands and heritages on a day, and

(b) the amount payable as rates in respect of those lands and heritages on that day falls to be reduced by virtue of relief described in regulation 11(1)(a),

the amount payable is to be determined in accordance with regulation 11(2) but as though for "regulation 7" there were substituted "regulation 12(2)".

(4) This regulation ceases to apply where a merged entry takes effect on or after 1 April 2026, unless relief under regulation 7 applied in respect of the lands and heritages in each of the entries which forms part of the merged entry, immediately before the merged entry took effect.

(**a**) Section 24A was inserted by section 155 of the Local Government etc. (Scotland) Act 1994 (c. 39) and was amended by section 19 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4).

Exemptions and discretionary reductions and remissions

13. Nothing in these Regulations—

(a) requires rates to be paid in respect of lands and heritages for a day where those lands and heritages are entirely exempt from rates for that day under any enactment, or

(b) prejudices the power of a rating authority to grant a reduction or remission of rates under section 3A or 4(5) of the 1962 Act(**a**), section 25A of the 1966 Act(**b**) or paragraph 4 of schedule 2 of the 1997 Act(**c**).

PART 4

Small Business Transitional Relief

Cap for eligible properties

14.—(1) Subject to paragraph (8), this regulation applies where—

(a) the liability of a ratepayer to pay rates in respect of particular lands and heritages was reduced by any of the following as at 31 March 2026—

(i) regulation 3 (amount payable as rates – lands and heritages with a rateable value of £20,000 or less) of the 2025 Regulations,

(ii) paragraph 3 or 4(**d**) of schedule 2 of the 1997 Act (relief from non-domestic rates for general stores etc. in rural settlements: Scotland), where entitlement to the reduction is lost on 1 April 2026 as a result of an increase in rateable value of the lands and heritages above the limit provided for in—

(aa) article 3(1)(a) or, as the case may be, article 3(1)(b) of the 2005 Order, or

(bb) article 3(2) of the 2005 Order,

(iii) regulation 4 (relief for lands and heritages used for hospitality purposes) of the Non-Domestic Rates (Hospitality Relief) (Scotland) Regulations 2025(**e**), or

(b) regulation 14 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2025(**f**) applied as at 31 March 2026, and

(c) in either case, the ratepayer continues to be liable to pay rates in respect of those particular lands and heritages.

(2) Where the net notional liability of any lands and heritages to which this regulation applies, calculated in accordance with paragraph (3), is more than the transitional limit for those lands and heritages, calculated in accordance with paragraph (4), the amount payable as rates in respect of those lands and heritages is that transitional limit.

(3) The net notional liability of any lands and heritages to which this regulation applies on any day is equal to the notional liability calculated in accordance with regulation 8, after any reliefs have been applied, including under regulation 7.

(**a**) Section 3A was inserted by section 140(1) of the Community Empowerment (Scotland) Act 2015 (asp 6). Section 4(5) was amended by paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994 (c. 39), paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997 (c. 29) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).

(**b**) Section 25A was inserted by section 156 of the Local Government etc. (Scotland) Act 1994 (c. 39).

(**c**) Paragraph 4 was amended by section 28(4)(a), (b) and (d) of the Local Government in Scotland Act 2003 (asp 1).

(**d**) Paragraph 3 was amended by paragraph 25 of schedule 8 of the Postal Services Act 2000 (c. 26), section 29(a), (b) and (c) of the Local Government in Scotland Act 2003 (asp 1) and paragraph 148(a) and (b) of schedule 12 of the Postal Services Act 2011 (c. 5). Paragraph 4 was amended by section 28(4)(a), (b) and (d) of the Local Government in Scotland Act 2003 (asp 1).

(**e**) S.S.I. 2025/40.

(**f**) S.S.I. 2025/39.

(4) In respect of lands and heritages to which this regulation applies, the transitional limit, on any day, is to be calculated as follows:

(a) where the rateable value for that day exceeds the rateable value at revaluation on 1 April 2026, the transitional limit is calculated in accordance with the formula—

$$\frac{DA + ((NNL - DA) \times 0.25) + \Big(\big((CRV\ - RV) \times PF\big) - A\Big) \times (100\% - Z)}{365}$$

(b) in any other case the transitional limit is calculated in accordance with the formula—

$$\frac{(DA + (NNL - DA) \times 0.25)\ \times CRV}{365\ \times RV}$$

where—

A is the amount of relief granted under regulation 10C of the New and Improved Property Relief Regulations in respect of the day with reference to which the transitional limit is calculated, multiplied by 365,

CRV is the rateable value of the lands and heritages on the day with reference to which the transitional limit is calculated,

DA is the deemed amount within the meaning given in paragraph (5),

PF is the poundage figure of—

(i) 0.548 where the lands and heritages have a rateable value exceeding £100,000,

(ii) 0.535 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000,

(iii) 0.481 where the lands and heritages have a rateable value of £51,000 or less,

NNL is the net notional liability referred to in paragraph (3),

RV is the rateable value of the lands and heritages on 1 April 2026, and

Z is the percentage of relief other than relief under regulation 10C of the New and Improved Property Relief Regulations granted in respect of the day with reference to which the transitional limit is calculated.

(5) For the purposes of this regulation the deemed amount in respect of any lands and heritages is the amount which would have been payable as rates in respect of those lands and heritages for the financial year ending 31 March 2026, had that amount been calculated on the basis of the rateable value of the lands and heritages on 31 March 2026, including any additional amounts of rates payable in terms of regulation 5 (amount payable as rates – lands and heritages with rateable value exceeding £51,000 but not exceeding £100,000) or 6 (lands and heritages with rateable value exceeding £100,000) of the 2025 Regulations, and after applying any reliefs.

(6) Where regulation 7 has effect as regards the lands and heritages, the question of whether the transitional limit applies is to be determined by reference to the amount of rates payable after regulation 7 is applied.

(7) Relief under this regulation may only be granted where an application is made in accordance with regulation 15.

(8) This regulation does not apply to lands and heritages which are wholly or mainly used for a purpose for which a short-term let licence is required in accordance with article 4 of the Civic

Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022(**a**), but for which no such licence has been obtained.

(9) In this regulation "the 2005 Order" means the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005(**b**).

PART 5

General

Applications for relief

15.—(1) An application for relief under regulation 14 must be signed by the ratepayer, or a person authorised to sign on behalf of the ratepayer.

(2) An application under paragraph (1) must be made to the rating authority in whose valuation roll the entry for the lands and heritages appears by—

(a) addressing it to the authority, and

(b) delivering it to that authority's office or sending it to that authority by electronic communication.

(3) For the purposes of this regulation—

(a) "person authorised to sign on behalf of the ratepayer" means—

(i) where the ratepayer is a partnership, a partner of that partnership or any other person authorised by it,

(ii) where the ratepayer is a trust, a trustee of that trust or any other person authorised by it,

(iii) where the ratepayer is a body corporate, a director of that body, and

(b) "sign" or "signed" in relation to an application made by electronic communication means an electronic signature, as defined in section 7(2) of the Electronic Communications Act 2000(**c**).

Amendment of the New and Improved Property Relief Regulations

16.—(1) The New and Improved Property Relief Regulations are amended in accordance with paragraphs (2) to (5).

(2) In regulation 9(1) (availability of relief – lands and heritages in respect of which a relevant increase has been made within the previous 12 months) for "or 10B" substitute ", 10B or 10C".

(3) After regulation 10B(**d**) insert—

"**Relief granted – financial year 2026-2027 – lands and heritages in respect of which a relevant increase has been made within the previous 12 months**

10C.—(1) In relation to the financial year 2026-2027 the relief granted is that the amount of non-domestic rates payable is to be reduced as set out in paragraph (4) or, as the case may be, paragraph (5).

(2) The amount of relief granted depends on—

(a) whether regulation 7 of the 2026 Regulations applies (transitional relief in the amount of rates payable),

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(**a**) S.S.I. 2022/32. Article 4 was amended by S.S.I. 2024/227.
(**b**) S.S.I. 2005/103. Article 3 was amended by S.S.I. 2010/37.
(**c**) 2000 c. 7. Section 7(2) was amended by S.I. 2016/696.
(**d**) Regulation 10B was inserted by S.S.I. 2025/39.

(b) the total amount of any relevant increases made in respect of the lands and heritages taking effect on a day within the previous 12 months ("the reference amount").

(3) No relief is granted unless an application is made in accordance with regulation 12.

(4) Where regulation 7 of the 2026 Regulations does not apply to the lands and heritages—

(a) the amount of non-domestic rates payable is to be calculated on the rateable value minus the reference amount, but

(b) if the rateable value minus the reference amount is a negative figure, then no relief is granted (and the amount of non-domestic rates payable is to be calculated on the rateable value).

(5) Where regulation 7 of the 2026 Regulations applies, the amount of non-domestic rates payable is the transitional limit described in that regulation, and for these purposes the transitional limit is to be calculated—

(a) in respect of the lands and heritages for which the rateable value exceeds the sum of the rateable value on 1 April 2026 and the reference amount, in accordance with the formula—

$$\frac{((BL \times X) + ((ARV - RV) \times \mathrm{PF}))}{365}$$

where—

ARV is the adjusted rateable value, found by subtracting the reference amount from the rateable value of the land and heritages,

BL is the base liability of the lands and heritages calculated in accordance with regulation 10 of the 2026 Regulations,

PF is the poundage figure of—

(i) 0.548 where the lands and heritages have a rateable value exceeding £100,000,

(ii) 0.535 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100, 000,

(iii) 0.481 where the lands and heritages have a rateable value of £51,000 or less,

RV is the rateable value of the lands and heritages on 1 April 2026, and

X is—

(i) 1.500 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of more than £100,000,

(ii) 1.300 where at revaluation on 1 April 2026 the lands and heritages had a rateable value between £20,001 and £100,000,

(iii) 1.150 where at revaluation on 1 April 2026 the lands and heritages had a rateable value of £20, 000 or less, or

(b) in any other case in accordance with the formula—

$$\frac{(BL \times X \times ARV)}{365 \times \mathrm{RV}}$$

where—

BL, ARV, RV and X have the same meanings as in sub-paragraph (a).

(6) In this regulation, "the 2026 Regulations" means the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2026(**a**).".

(4) In regulation 11 (additional relief granted – lands and heritages in respect of which a relevant increase has been made within the previous 12 months)—

(a) in paragraph (1) for "or 10B" substitute ", 10B or 10C",

(b) in paragraph (2)(b) for "or 10B(2)(b)" substitute ", 10B(2)(b) or 10C(2)(b)",

(c) in paragraph (3)—

(i) at the end of sub-paragraph (e), omit "and",

(ii) after sub-paragraph (f) insert—

"and

(g) regulations 3 and 4 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (relief for lands and heritages with rateable values below a specified amount)(**b**)".

IVAN MCKEE
Authorised to sign by the Scottish Ministers

St Andrew's House,
Edinburgh
10th February 2026

(**a**) S.S.I. 2026/70.
(**b**) S.S.I. 2026/68.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision as to the amount payable in certain circumstances as non-domestic rates in Scotland. They apply to the financial year 2026-2027. The Regulations do not apply where a non-domestic property is shown in a merged, split or reorganised entry in the valuation roll which takes effect during the financial year 2026-2027.

Part 1 makes provision as to citation, commencement and interpretation.

Part 2 deals with amounts payable in respect of lands and heritages which were shown in the valuation roll as at 31 March 2026 and 1 April 2026 (i.e. that were on the valuation roll at the end of the 2025-26 financial year and the beginning of the 2026-27 financial year). Regulation 7 provides that, for every day of the financial year 2026-27, the notional rates liability for a non-domestic property (that is, the gross amount ordinarily payable as rates before any reliefs are applied, calculated in accordance with regulation 8) must be compared against that property's transitional limit, calculated in accordance with regulation 9. If the notional liability is more than the transitional limit, the amount payable will be capped at the transitional limit. The transitional limit is calculated by multiplying the base liability of the lands and heritages, calculated under regulation 10, by whichever is the appropriate factor as provided for by regulation 9.

Part 3 deals with the interaction between the transitional relief provided for in Part 2 and other reductions, remissions and exemptions. Regulation 11 provides that where any relief from liability to non-domestic rates applies (other than relief under Part 2), and provided regulation 12 does not apply, the amount payable is to be determined by first calculating the amount payable in accordance with regulation 7 and then applying the reduction specified in the enactment referred to in paragraph (1)(a) to that amount. In other words, where there is an entitlement to relief under both this regulation and regulation 7, relief under this regulation is to be applied to the amount of rates payable after regulation 7 is applied.

Regulation 12 provides for calculation of rates liability in respect of lands and heritages which are partially unoccupied, and to which regulation 7 applies, where there is an apportionment between the rateable value of the parts of the lands and heritages which are occupied, and those which are unoccupied. In determining liability, the rateable value is taken to be the figure attributed only to the part of the property which is occupied.

In terms of regulation 13, nothing in the Regulations requires the payment of rates on property on a day on which it is entirely exempt from rates under any other enactment, or prejudices the power of a rating authority to grant discretionary reductions or remissions.

Part 4 (regulation 14) provides for a cap on increases in rates liability for certain ratepayers, namely those who, on 31 March 2026, had entitlement to relief from liability in respect of particular lands and heritages under regulation 3 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2025 (known as small business bonus scheme relief), relief under schedule 2 of the Local Government and Rating Act 1997 (rural property relief), hospitality relief under regulation 4 of the Non-Domestic Rates (Hospitality Relief) (Scotland) Regulations 2025 or small business transitional relief under regulation 14 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2025. In relation to rural property relief, the cap applies only where entitlement to the relief was lost on 1 April 2026 as a result of an increase in rateable value taking it above the applicable limits in article 3 of the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005. The cap can be relied upon as an alternative to reliance on regulation 7. Alternatively, where it is in the ratepayer's interests to rely on both regulations 7 and 14, regulation 14(6) provides that relief under regulation 14 is to be applied to the rates liability arrived at through applying regulation 7. The cap does not apply where a property was granted relief under regulation 3 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2025 on 31 March 2026 but is not in receipt of relief under regulation 3 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 on 1 April 2026, because a short-term letting licence is

required and has not been obtained. The cap lasts for so long as the ratepayer entitled to relief as at 31 March 2026 continues to be liable to pay rates in respect of the particular lands and heritages.

Part 5 deals with general matters. Regulation 15 provides the process for making an application for relief. An application is required for relief under regulation 14.

Regulation 16 makes amendments to the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 ("the 2022 Regulations") to reflect the interaction between transitional relief and new and improved property relief. Regulation 16(3) inserts a new regulation 10C into the 2022 Regulations. This makes provision as to how the transitional limit is to be calculated in relation to the financial year 2026-2027 where relief is granted to properties improved by refurbishment, expansion or construction. Regulations 16(2) and (4)(a) and (b) make consequential changes to regulations 9 and 11 of the 2022 Regulations, to reflect the insertion of regulation 10C. Regulation 16(4)(c) updates the list of provisions in regulation 11(3), to be used to calculate entitlement to relief additional to that provided for by regulations 10, 10A, 10B and 10C.

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