
Changes to legislation: There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Paragraph 7. (See end of Document for details)

SCHEDULE 2

PRE-COMPLETION TRANSACTIONS

PART 2

PRE-COMPLETION TRANSACTIONS WHICH ARE ASSIGNMENTS OF RIGHTS

Assignments of rights: application of rules about completion and consideration

- 7 (1) This paragraph applies if the pre-completion transaction is an assignment of rights.
- (2) If the subject-matter of the original contract is transferred to the transferee, the transfer is taken to be the completion of the original contract (despite section 10 and in particular subsection (10)(a) of that section).
- (3) Sub-paragraphs (4) to (8) apply if—
- (a) the subject-matter of the original contract is transferred to the transferee, or
 - (b) the original contract is substantially performed by the transferee.
- (4) The transferee is taken to be the buyer in the land transaction effected as mentioned in section 10(3), or treated as effected under section 10(4).
- (5) For the purpose of determining the chargeable consideration for that land transaction, the land transaction is taken to give effect to a contract the consideration under which is the consideration paid or provided by the transferee or a person connected with the transferee—
- (a) for the subject-matter of the original contract, and
 - (b) for the assignment of rights.
- (6) Paragraph 1 of Schedule 4 (chargeable consideration: money or money's worth) has effect accordingly but subject to sub-paragraphs (7) and (8) of this paragraph.
- (7) This paragraph does not allow any amount of consideration given by a person to be counted twice in determining the chargeable consideration.
- (8) In any case where there is a relevant connection between the parties as mentioned in paragraph 15(2) (minimum consideration rule), the chargeable consideration for the land transaction mentioned in sub-paragraph (4) of this paragraph is calculated (regardless of whether the consideration is taken to be the amount in paragraph (a), (b) or (c) of paragraph 15(2)) as if in paragraph 1 of Schedule 4 the words ““or a person connected with the buyer”” were omitted.
- (9) The original contract is to be taken to be ““substantially performed by the transferee”” where a land transaction is treated as effected under section 10(4) by reason of—
- (a) the transferee under the assignment of rights, or a person connected with the transferee, taking possession of the whole, or substantially the whole, of the subject-matter of the original contract,
 - (b) a substantial amount of the consideration being paid or provided by the transferee or a person connected with the transferee, or

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- (c) consideration paid or provided by the transferee, or a person connected with the transferee, amounting, when taken together with consideration paid or provided by another person, to a substantial amount of the consideration.
- (10) References in sub-paragraph (9) to possession and to the payment or provision of a substantial amount of the consideration are to be read in accordance with subsections (2) and (3) of section 14 (meaning of substantial performance).
- (11) In sub-paragraph (9), ““the consideration”” —
- (a) in relation to the land transaction, means (what is taken to be) the consideration for the acquisition of the subject-matter of the land transaction;
 - (b) in relation to the original contract, means the consideration for the transferee's acquisition of the subject-matter of that contract;
 - (c) in relation to the assignment of rights, means the consideration for the transferee's acquisition of the rights to which that contract relates.

Commencement Information

II Sch. 2 para. 7 in force at 1.4.2018 by S.I. 2018/34, art. 3

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