



Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017

2017 anaw 1

PART 3

CALCULATION OF TAX AND RELIEFS

Reliefs

30 Reliefs

(1) The following Schedules make provision about reliefs and other provision connected to those reliefs—

- Schedule 9 (sale and leaseback relief);
- Schedule 10 (alternative property finance relief);
- Schedule 11 (relief for alternative finance investment bonds);
- Schedule 12 (relief for incorporation of limited liability partnership);
- Schedule 13 (relief for acquisitions involving multiple dwellings);
- Schedule 14 (relief for certain acquisitions of dwellings);
- Schedule 15 (relief for certain transactions relating to social housing);
- Schedule 16 (group relief);
- Schedule 17 (reconstruction and acquisition reliefs);
- Schedule 18 (charities relief);
- Schedule 19 (open-ended investment company reliefs);
- Schedule 20 (relief for acquisitions by public bodies and health bodies);
- Schedule 21 (compulsory purchase relief and planning obligation relief);
- Schedule 22 (miscellaneous reliefs).

(2) The following provisions of this Act provide relief from tax for certain land transactions (and accordingly if relief is claimed such transactions are not chargeable transactions)—

Status: This is the original version (as it was originally enacted).

paragraphs 18(2) and 19(2) of Schedule 2 (relief for notional transactions associated with assignments of rights and relief for certain subsales);
 paragraph 1 of Schedule 9 (sale and leaseback relief);
 paragraphs 2 and 3 of Schedule 10 (relief for certain alternative property finance transactions);
 paragraphs 13(1) and 15(1) of Schedule 11 (relief for certain transactions relating to alternative finance investment bonds);
 paragraph 1 of Schedule 12 (relief for incorporation of limited liability partnership);
 paragraphs 2(1), 3(1), 4(1), 5(1), 6(1) and 7(1) of Schedule 14 (relief for certain acquisitions of dwellings);
 paragraph 4 of Schedule 15 (shared ownership leases: relief for certain reversions);
 paragraph 6(2) of that Schedule (shared ownership leases: relief for certain staircasing transactions);
 paragraph 13 of that Schedule (shared ownership trust relief: transfer upon termination);
 paragraph 14 of that Schedule (shared ownership trusts: relief for certain staircasing transactions);
 paragraph 19(1) of that Schedule (relief for certain acquisitions by social housing providers);
 paragraph 2(1) of Schedule 16 (group relief);
 paragraph 2(1) of Schedule 17 (reconstruction relief);
 paragraphs 3(1) and 5 of Schedule 18 (charities relief);
 paragraphs 1(1) and 2(1) of Schedule 19 (open-ended investment companies relief);
 paragraphs 1(1) and 2 of Schedule 20 (relief for acquisitions by public bodies and health bodies);
 paragraphs 1(1) and 2(1) of Schedule 21 (compulsory purchase relief and planning obligation relief);
 Schedule 22 (miscellaneous reliefs).

(3) The following provisions of this Act provide relief for certain chargeable transactions in the manner specified in the respective provision—

paragraph 19(3) of Schedule 2 (partial relief for certain subsales);
 Schedule 13 (relief for acquisitions involving multiple dwellings);
 paragraphs 2(3), 3(4), 4(4), 5(3), 6(4) and 7(3) of Schedule 14 (partial relief for certain acquisitions of dwellings which exceed the permitted area);
 paragraph 10 of that Schedule (relief for transactions entered into by persons exercising collective rights);
 paragraph 2 of Schedule 15 (relief relating to contingent consideration in the case of a right to buy transaction);
 paragraph 3 of that Schedule (shared ownership leases: election for consideration to be taken to be market value);
 paragraph 5 of that Schedule (shared ownership leases where staircasing allowed: election for consideration to be based on open market value);
 paragraph 12 of that Schedule (shared ownership trusts: election for consideration to be taken to be market value);
 Part 3 of Schedule 17 (acquisition relief);

Status: This is the original version (as it was originally enacted).

paragraphs 6 and 8 of Schedule 18 (partial charities relief in certain circumstances).

- (4) Any relief under the any of the provisions mentioned in subsections (2) and (3) (other than relief under paragraph 3 of Schedule 22 (visiting forces and international military headquarters reliefs)) must be claimed in the first return made in relation to the land transaction, or in an amendment of that return.
- (5) Relief under paragraph 3 of Schedule 22—
 - (a) may be claimed in the return for the land transaction, or in an amendment of that return, or
 - (b) if not claimed in the return or amended return and the period allowed for amendment of the return has ended, may be claimed by making a claim for repayment of any amount of tax overpaid (see Chapter 7 of Part 3 of TCMA), and section 78 of TCMA (time limit for making claims) does not apply to a claim for relief under paragraph 3 of Schedule 22.
- (6) The Welsh Ministers may by regulations amend this Act so as to—
 - (a) add a relief;
 - (b) modify a relief;
 - (c) remove a relief;
 - (d) modify section 31.

31 Reliefs: anti-avoidance

- (1) Relief is not available under any of the provisions mentioned in subsection (2) or (3) of section 30 in respect of a land transaction—
 - (a) which is a tax avoidance arrangement, or
 - (b) which forms part of arrangements which are tax avoidance arrangements.
- (2) An arrangement is a “tax avoidance arrangement” if—
 - (a) the obtaining of a tax advantage for any person is the main purpose, or one of the main purposes, of the buyer in the land transaction entering into the arrangement, and
 - (b) the arrangement lacks genuine economic or commercial substance other than the obtaining of a tax advantage.
- (3) In this section—

“arrangement” (“*trefniant*”) includes any transaction, scheme, agreement, grant, understanding, promise, undertaking or series of any of those things (whether or not legally enforceable);

“tax” (“*treth*”) means land transaction tax, income tax, corporation tax, capital gains tax, stamp duty land tax, stamp duty reserve tax or stamp duty;

“tax advantage” (“*mantais drethiannol*”) means—

 - (a) relief or increased relief from tax,
 - (b) repayment or increased repayment of tax,
 - (c) avoidance or reduction of a charge to tax, or
 - (d) deferral of a payment of tax or advancement of a repayment of tax.