
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Schedule 5 to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (“the Act”) to extend the scope of the exceptions from the rates applicable to a higher rates residential property transaction provided by paragraphs 7 and 16.

Paragraph 7 provides that a transaction is not a higher rates residential property transaction where the major interest acquired by the buyer is an additional interest in their only or main residence. Such a transaction may arise where there is a transfer of equity from a co-owner in the dwelling. Paragraph 16 of Schedule 5 to the Act makes equivalent provision where the buyer acquires a number of dwellings as part of a single transaction.

Regulation 2 amends paragraphs 7 and 16 to extend the scope of the exceptions. The amendments ensure that a buyer is able to rely on the exceptions provided by paragraphs 7 and 16 in cases where that buyer is acquiring a major interest in a dwelling and—

- (a) immediately before the effective date of the transaction, the buyer’s spouse or civil partner owns a major interest in the same dwelling; and
- (b) that dwelling will be the buyer’s only or main residence immediately before and after the effective date of the transaction.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a Regulatory Impact Assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Welsh Government, Cathays Park, Cardiff CF10 3NQ.