

These notes refer to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (c.1) which received Royal Assent on 24 May 2017

LAND TRANSACTION TAX AND ANTI-AVOIDANCE OF DEVOLVED TAXES (WALES) ACT 2017

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 11 - Relief for alternative finance investment bonds

Part 2 - Issue, transfer and redemption of rights under bond not to be treated as chargeable consideration

313. The bond-holder under an alternative finance investment bond is not treated as having an interest in the bond assets (and so can trade the bonds without giving rise to a charge to LTT), unless they acquire control of the underlying assets. Where the bond-holder has no interest in the bond asset (the land), the bonds can be traded between holders without giving rise to a charge to LTT. The bond-holder has control over the assets if they have the right to manage and control the assets under the bond, or where a bond-holder (including a group of bond holders acting jointly) acquires sufficient rights to enable them to exercise management and control of the bond assets to the exclusion of any other bond-holders. The bond-holder will not, however, be treated as acquiring control in the following circumstances:
- the bond-holder did not know (and had no reason to suspect) that they were acquiring such right to control and (on becoming aware of it) takes steps to remove sufficient rights for the exercise to no longer be possible); and
 - the bond-holder underwrites a public offer of rights under the bond and does not exercise the right of control and management.