

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 16 - Group relief

Part 3 - Restrictions on the availability of relief

369. **Part 3** of the Schedule sets out specific anti-avoidance rules (with exceptions set out at paragraph 4(2) and (7)) which restrict the availability of group relief. This Part applies where different types of arrangements are entered into whereby the acquiring company may become controlled from outside the group, where consideration may be provided from outside the group, or where the seller and buyer are to cease being members of the same group. Where such arrangements exist at the effective date of the transaction, group relief is not available.
370. However, the availability of group relief is not restricted where agreements which govern a joint venture company, are arrangements described in paragraph 5(2) and none of the contingencies specified at paragraph 5(3) have happened. Certain mortgage arrangements are also not caught by the rule restricting the availability of group relief provided the shares or securities in a company are used as a security under a mortgage, which on default or other event occurring allows the mortgagee to exercise its rights against the mortgagor and the mortgagee has not exercised its rights against the mortgagor. But this is subject to exceptions in paragraph 6.