

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

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 8 – Interpretation and Final Provisions**

#### *Schedule 16 - Group relief*

#### **Part 4 - Withdrawal of relief**

371. Group relief is withdrawn where the buyer ceases to be a member of the same group as the seller within 3 years of the effective date of the transaction (or under arrangements made during the three year period), and, broadly, at that time the relevant chargeable interest is still held by the buyer or a company it controls.
372. Exceptions from the withdrawal of group relief are provided for in paragraphs 9 to 11. These include:
- where the de-grouping arises because of anything done in the course of winding up the seller (or another company that is above the seller on the group structure);
  - the seller or another company that is above the seller in the group structure ceases to exist in another way;
  - where there is an acquisition of shares in the buyer by another company to which section 75 of Finance Act 1986 applies (subject to exceptions) and the buyer leaves the group as a result (an anti-avoidance provision applies);
  - where the seller leaves the group; and
  - certain cases where the buyer leaves the group as a result of the transfer of business or engagement by a “mutual society” or similar.
373. [Paragraph 12](#) further provides for the withdrawal of group relief in certain cases involving successive transactions, subject to the exceptions provided for in paragraph 12(6).