

Changes to legislation: There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Cross Heading: Group relief: interpretation. (See end of Document for details)

SCHEDULE 16

GROUP RELIEF

PART 2

THE RELIEF

Group relief: interpretation

- 3 (1) The following provisions apply for the purposes of group relief.
- (2) ““Company”” means a body corporate.
- (3) Companies are members of the same group if one is the 75% subsidiary of the other or both are 75% subsidiaries of a third company.
- (4) A company (““company A””) is the 75% subsidiary of another company (““company B””) if company B—
- (a) is beneficial owner of not less than 75% of the ordinary share capital of company A,
 - (b) is beneficially entitled to not less than 75% of any profits available for distribution to equity holders of company A, and
 - (c) would be beneficially entitled to not less than 75% of any assets of company A available for distribution to its equity holders on a winding-up.
- (5) For the purposes of sub-paragraph (4)(a)—
- (a) the ownership referred to is ownership either directly or through another company or companies, and
 - (b) the amount of ordinary share capital of company A owned by company B through another company or companies is to be determined in accordance with sections 1155 to 1157 of the Corporation Tax Act 2010 (c. 4).
- (6) In sub-paragraphs (4)(a) and (5)(b), ““ordinary share capital””, in relation to a company, means all the issued share capital (by whatever name called) of the company, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the company.
- (7) Chapter 6 of Part 5 of the Corporation Tax Act 2010 (c. 4) (group relief: equity holders and profits or assets available for distribution) applies for the purposes of sub-paragraph (4)(b) and (c) as it applies for the purposes of section 151(4)(a) and (b) of that Act.
- (8) But sections 171(1)(b) and (3), 173, 174 and 176 to 178 of that Act are to be treated as omitted for the purposes of sub-paragraph (4)(b) and (c).

Commencement Information

II Sch. 16 para. 3 in force at 1.4.2018 by S.I. 2018/34, art. 3

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