

Status: Point in time view as at 18/10/2017. This version of this cross heading contains provisions that are not valid for this point in time.

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: Withdrawal of group relief in certain cases involving successive transactions. (See end of Document for details)

VALID FROM 01/04/2018

SCHEDULE 16

GROUP RELIEF

PART 4

WITHDRAWAL OF RELIEF

Withdrawal of group relief in certain cases involving successive transactions

- 12 (1) Where in the case of a relieved transaction—
- (a) there is a change in the control of the buyer,
 - (b) that change occurs—
 - (i) before the end of the period of 3 years beginning with the effective date of the relieved transaction, or
 - (ii) in pursuance of, or in connection with, arrangements made before the end of that period,
 - (c) apart from this paragraph, group relief in relation to the relieved transaction would not be withdrawn under paragraph 8, and
 - (d) any previous transaction falls within sub-paragraph (3),
- paragraphs 8, 9 and 10 have effect in relation to the relieved transaction as if the seller in the earliest previous transaction falling within sub-paragraph (3) were the seller in the relieved transaction.
- (2) Sub-paragraph (1) has effect subject to sub-paragraph (6).
- (3) A previous transaction falls within this sub-paragraph if—
- (a) the previous transaction is a relieved transaction or is relieved from tax by virtue of Schedule 17 (reconstruction and acquisition reliefs),
 - (b) the effective date of the previous transaction is less than 3 years before the date of the event falling within sub-paragraph (1)(a),
 - (c) the chargeable interest acquired under the relieved transaction by the buyer in that transaction is the same as, comprises, forms part of, or is derived from, the chargeable interest acquired under the previous transaction by the buyer in the previous transaction, and
 - (d) since the previous transaction, the chargeable interest acquired under that transaction has not been acquired by any person in a transaction that is not a relieved transaction nor is relieved from tax by virtue of Schedule 17 (reconstruction and acquisition reliefs).
- (4) For the purposes of this paragraph, there is a change in the control of a company if—
- (a) any person who controls the company (alone or with others) ceases to do so,
 - (b) a person obtains control of the company (alone or with others), or
 - (c) the company is wound up.

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- (5) References to “control” in this paragraph are to be construed in accordance with sections 450 and 451 of the Corporation Tax Act 2010 (c. 4).
- (6) Sub-paragraph (1) does not apply where—
- (a) there is a change in the control of the buyer because a loan creditor (within the meaning given by section 453 of the Corporation Tax Act 2010 (c. 4)) obtains control of, or ceases to control, the buyer, and
 - (b) the other persons who controlled the buyer before that change continue to do so.
- (7) If two or more transactions effected at the same time are the earliest previous transactions falling within sub-paragraph (3), the reference in sub-paragraph (1) to the seller in the earliest previous transaction is a reference to the persons who are the sellers in the earliest previous transactions.
- (8) In this paragraph, “arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable.

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