Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 anaw 1
SCHEDULE 2 – PRE-COMPLETION TRANSACTIONS
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1

SCHEDULE 2

PRE-COMPLETION TRANSACTIONS

PART 4

THE MINIMUM CONSIDERATION RULE

The minimum consideration rule

15 (1) This paragraph applies where paragraph 7(3) or 13(2) (pre-completion transactions: chargeable interest acquired, or treated as acquired, by transferee) applies.

(2) If there is a relevant connection between parties, then for the purposes of paragraph 1 of Schedule 4 the consideration given by the buyer for the subject-matter of the land transaction referred to in paragraph 7(4) or 13(2) is taken to be the highest of—

(a)   the amount it would be apart from this sub-paragraph,

(b)   the first minimum amount (see paragraph 16), or

(c)   the second minimum amount (see paragraph 17).

(3) There is a "relevant connection between parties" if the transferee in relation to the pre-completion transaction mentioned in paragraph 7(1) or 13(1) ("the implemented transaction") is connected with, or is not acting at arm's length in relation to—

(a)   the transferor in relation to the implemented transaction, or

(b)   a transferor in relation to a pre-completion transaction—

(i) which is one in a chain of successive pre-completion transactions (all having at least part of their subject-matter in common and including the implemented transaction) in relation to the original contract, and

(ii) which precedes the implemented transaction in the chain.

(4) Where the implemented transaction is a pre-completion transaction in relation to—

(a)   a contract for a land transaction that is not itself a free-standing transfer in relation to any other contract, and

(b)   a contract, or two or more successive contracts, that are themselves free-standing transfers in relation to the contract mentioned in paragraph (a),

references in this Part of this Schedule to the "original contract" are to the contract mentioned in paragraph (a) only (and references to the "original buyer" are to be read accordingly).