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*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: Rent for overlap period in case of grant of further lease. (See end of Document for details)*

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## SCHEDULE 6

### LEASES

#### PART 2

#### DURATION OF LEASE AND TREATMENT OF OVERLAPPING LEASES

##### *Rent for overlap period in case of grant of further lease*

- 7 (1) This paragraph applies where—
- (a) the tenant under a lease (“the old lease”) surrenders it to the landlord and in consideration of that surrender the landlord grants a lease to the tenant of the same or substantially the same premises (“the new lease”),
  - (b) the tenant under a lease (“the old lease”) of premises to which Part 2 of the Landlord and Tenant Act 1954 (c. 56) (security of tenure for business, professional and other tenants) applies, makes a request for a new tenancy (“the new lease”) which is then executed,
  - (c) on termination of a lease (“the head lease”) a sub-tenant is granted a lease (“the new lease”) of the same or substantially the same premises as those comprised in the sub-tenant's original lease (“the old lease”) in pursuance of—
    - (i) an order of a court on a claim for relief against re-entry or forfeiture, or
    - (ii) a contractual entitlement arising in the event of the head lease being terminated, or
  - (d) a person who has guaranteed the obligations of a tenant under a lease that has been terminated (“the old lease”) is granted a lease of the same or substantially the same premises (“the new lease”) in pursuance of the guarantee.
- (2) For the purposes of this Act, the rent payable under the new lease in respect of any period falling within the overlap period is treated as reduced by the amount of the taxable rent that would have been payable in respect of that period under the old lease (but it cannot be treated as being reduced to a negative amount).
- (3) For the purposes of sub-paragraph (2)—
- (a) the “overlap period” is the period between the date of the grant of the new lease and what would have been the end of the term of the old lease had it not been terminated;
  - (b) rent is “taxable” if or to the extent that it is taken into account in determining the tax chargeable in respect of the acquisition of the old lease.

#### **Annotations:**

#### **Modifications etc. (not altering text)**

- C1** Sch. 6 para. 7 applied in part (with modifications) (1.4.2018) by [The Land Transaction Tax \(Transitional Provisions\) \(Wales\) Regulations 2018 \(S.I. 2018/126\)](#), regs. 1(2), **9**

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#### **Commencement Information**

**II** Sch. 6 para. 7 in force at 1.4.2018 by S.I. 2018/34, art. 3

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