



Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017

2017 anaw 1

PART 2

THE TAX AND KEY CONCEPTS

CHAPTER 3

PARTICULAR TRANSACTIONS

Contracts and transfers: general provision

10 Contract and transfer

- (1) This section applies where a contract for a land transaction is entered into under which the transaction is to be completed by a transfer.
- (2) A person is not regarded as entering into a land transaction by reason of entering into the contract (but see subsection (4)).
- (3) If the transaction is completed without previously having been substantially performed—
 - (a) the contract and the transaction effected on completion are treated as parts of a single land transaction, and
 - (b) the effective date of the transaction is the date of completion.
- (4) But if the contract is substantially performed without having been completed—
 - (a) the contract is treated as if it were itself the transaction provided for in the contract, and
 - (b) the effective date of that transaction is when the contract is substantially performed.

Status: This is the original version (as it was originally enacted).

- (5) Where subsection (4) applies and the contract is subsequently completed by a transfer—
 - (a) both the contract and the transaction effected on completion are notifiable transactions for the purposes of this Act, and
 - (b) tax is chargeable on the latter transaction to the extent (if any) that the amount mentioned in subsection (6) is greater than the amount of tax chargeable on the contract.
- (6) The amount is the tax that would have been chargeable on the latter transaction if it had been completed without previously having been substantially performed.
- (7) Where subsection (4) applies and the contract is (to any extent) afterwards rescinded or annulled, or is for any other reason not carried into effect, the tax paid by virtue of that subsection must (to that extent) be repaid by WRA.
- (8) But repayment of tax is due only if a claim for it is made by amendment, in accordance with section 41 of TCMA, of the return made in respect of the contract.
- (9) Where paragraph 20 of Schedule 6 applies (agreement for lease), it applies in place of subsections (4) to (8).
- (10) In this section—
 - (a) references to completion are to completion of the land transaction proposed, between the same parties, in substantial conformity with the contract;
 - (b) “contract” includes any agreement and “transfer” includes any instrument.