



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: particular cases

11 Contract providing for transfer to third party

- (1) This section applies where a contract is entered into under which a chargeable interest is to be transferred by one party to the contract (“P1”) at the direction or request of the other (“P2”)—
 - (a) to a person (“P3”) who is not a party to the contract, or
 - (b) either to such a person or to P2.
- (2) P2 is not regarded as entering into a land transaction by reason of entering into the contract.
- (3) But if the contract is substantially performed without having been completed—
 - (a) P2 is treated for the purposes of this Act as acquiring a chargeable interest, and accordingly as entering into a land transaction, and
 - (b) the effective date of that transaction is when the contract is substantially performed.
- (4) Where subsection (3) applies and the contract is (to any extent) afterwards rescinded or annulled, or is for any other reason not carried into effect, the tax paid by virtue of that subsection must (to that extent) be repaid by WRA.

Status: This is the original version (as it was originally enacted).

- (5) 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.
- (6) Subject to subsection (7), section 10 (contract and transfer) does not apply in relation to the contract.
- (7) Where—
 - (a) this section applies by virtue of subsection (1)(b), and
 - (b) by reason of P2’s direction or request, P1 becomes obliged to transfer a chargeable interest to P2,section 10 applies to that obligation as it applies to a contract for a land transaction that is to be completed by a transfer.
- (8) Section 10 applies in relation to any contract between P2 and P3, in respect of the chargeable interest referred to in subsection (1), that is to be completed by a transfer.
- (9) References to completion in that section, as it so applies, include references to transfer by P1 to P3 of the subject-matter of the contract between P2 and P3.
- (10) In this section, “contract” includes any agreement and “transfer” includes any instrument.