

**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: Restrictions on availability of group relief. (See end of Document for details)

## SCHEDULE 16

### GROUP RELIEF

#### PART 3

##### RESTRICTIONS ON AVAILABILITY OF RELIEF

###### *Restrictions on availability of group relief*

- 4 (1) Group relief is not available if, at the effective date of the transaction, there are arrangements in existence by virtue of which—
- (a) a person has or could obtain, at that or some later time, control of the buyer but not of the seller, or
  - (b) any persons together have or could obtain, at that time or some time later, control of the buyer but not of the seller.
- (2) Sub-paragraph (1) does not apply to arrangements entered into with a view to an acquisition of shares by a company (“the acquiring company”)—
- (a) in relation to which section 75 of the Finance Act 1986 (c. 41) (stamp duty: acquisition relief) will apply,
  - (b) in relation to which the conditions for relief under that section will be met, and
  - (c) as a result of which the buyer will be a member of the same group as the acquiring company.
- (3) Group relief is not available if the transaction is effected in pursuance of, or in connection with, arrangements under which—
- (a) the consideration, or any part of the consideration, for the transaction is to be provided or received (directly or indirectly) by a person other than a group company, or
  - (b) the seller and the buyer are to cease to be members of the same group by reason of the buyer ceasing to be a 75% subsidiary of the seller or a third company.
- (4) Arrangements are within sub-paragraph (3)(a) if under them—
- (a) the seller or the buyer, or another group company, is to be enabled to provide any of the consideration, or is to part with any of it, by or in consequence of the carrying out of a transaction or transactions, and
  - (b) the transaction or transactions, or any of them, involve a payment or other disposition by a person other than a group company.
- (5) In sub-paragraphs (3)(a) and (b), a “group company” means a company that at the effective date of the transaction is a member of the same group as the seller or the buyer.
- (6) In this paragraph—
- “arrangements” (“*trefniadau*”) includes any scheme, agreement or understanding, whether or not legally enforceable;
  - “control” (“*rheolaeth*”) has the meaning given by section 1124 of the Corporation Tax Act 2010 (c. 4).

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(7) This paragraph has effect subject to paragraphs 5 and 6 (certain arrangements not within paragraph 4).

**Commencement Information**

**II** Sch. 16 para. 4 in force at 1.4.2018 by S.I. 2018/34, art. 3

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