

*These notes refer to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (c.1) which received Royal Assent on 24 May 2017*

# **LAND TRANSACTION TAX AND ANTI-AVOIDANCE OF DEVOLVED TAXES (WALES) ACT 2017**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2 – the Tax and Key Concepts**

##### ***Sections 22–23 - Deemed market value and Exceptions***

34. When a company purchases land from a connected person, or the consideration comprises the issue or transfer of shares in any company with whom the person is connected, the chargeable consideration will be calculated according to the market value of the land and if applicable, any rent paid under the grant of a lease if that amount is greater than what would be the chargeable consideration for the transaction under the other rules of this Act. Such transactions are not to be treated as though there is no chargeable consideration. Section 22 does not apply where:
- the buyer holds the land or property as a trustee in the course of a business consisting of the management of trusts;
  - the buyer holds the land or property as trustee and is not “connected” to the seller other than as provided for in section 1122(6) Corporation Tax Act 2010, for example because the seller is a settlor of the settlement; or,
  - the seller is a company and the transaction is as a result of the distribution of the assets of the company (including distribution on liquidation) and the seller has not claimed group relief in relation to that interest in the 3 years before the transaction.