

*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 8 – Interpretation and Final Provisions**

##### *Schedule 6 - Leases*

#### **Part 3 - Rent and other consideration**

##### **Loan or deposit in connection with grant or assignment of lease**

258. [Paragraph 19](#) applies where a tenant (or a person connected to them) pays a deposit or loan to any person, and the tenant has some control over whether repayment will occur (or repayment is contingent on the tenant's death). In such a case, the deposit or loan is treated as consideration other than rent given for the lease. The same rule also applies where the deposit or loan is paid for the assignment of a lease.
259. However, a deposit that equals no more than twice the maximum amount of rent payable in any 12 month period in the first 5 years on the grant of the lease, or the highest amount in any 12 month period in the first 5 years of the remaining years of the lease in the case of an assignment does not count as consideration.