

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 11 - Relief for alternative finance investment bonds

Part 4 - Relief for certain transactions

315. The first and second transactions are relieved from LTT in accordance with the conditions set out in Part 4, namely:
- the first transaction is relieved if the leaseback from B to A is granted before the end of 30 days from the effective date of the first transaction (i.e. the first three conditions in Part 3); and
 - for the second transaction, all of the conditions in Part 3 have been met and the provisions of this Act and TCMA have been complied with in relation to the first transaction.
316. [Paragraph 14](#) sets out the circumstances under which relief for the first transaction is withdrawn.
317. Under paragraph 17, relief is not available, or can be withdrawn, in circumstances where the bond-holders acquire control or management of the bond asset (in the same way as applies under paragraph 4, see above).

Replacement of asset

318. The provisions at paragraph 18 allow the replacement of the original land as bond asset by another land interest, without disturbing the entitlement to relief, by dis-applying the requirement that B holds the original interest as a bond asset until the termination of the arrangements (as long as all the other conditions in the paragraph are complied with). Where the replacement land is in Wales, it will be subject to a new charge in favour of WRA (and the charge on the original land discharged, subject to compliance with the conditions). Where the replacement land is outside Wales, WRA will not take a charge over it (but must nevertheless be satisfied that the conditions in relation to the original land are met before discharging that charge).