

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 2 - Pre-completion transactions

Part 2 - Pre-completion transactions which are assignments of rights

Assignment of rights: transferor treated as making separate acquisition

123. Paragraph 8 deems the transferor as making a separate acquisition, referred to as a “notional land transaction”, where there is an assignment of rights. The notional land transaction is “associated with” the assignment of rights under which the original buyer is the transferor.
124. Where there is an assignment of rights and the original contract is either substantially performed or transferred to the transferee, the effective date of that land transaction is the date of the notional land transaction, and the original buyer is deemed to be the buyer under that notional land transaction.
125. In cases involving preceding assignments of rights to the “implemented assignment of rights” mentioned in paragraph 7(1), prior to substantial performance or completion by transfer of the original contract, there is deemed to be an additional notional land transaction for each of the preceding assignment of rights, with a deemed amount of chargeable consideration for each of these transactions.
126. Sub-paragraphs (6) – (9) are to be read together for the rules on how to determine the chargeable consideration (in accordance with the provisions at paragraph 1(1) of Schedule 4 chargeable consideration) for:
 - a notional land transaction (which does not form part of a chain of transactions that are pre-completion transactions); and
 - any additional notional land transactions.