
Changes to legislation: There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Paragraph 16. (See end of Document for details)

SCHEDULE 2

PRE-COMPLETION TRANSACTIONS

PART 4

THE MINIMUM CONSIDERATION RULE

The first minimum amount

- 16 (1) The ““first minimum amount”” is to be determined in accordance with sub-paragraph (2) unless conditions A to C in sub-paragraph (3) are met, in which case it is to be determined in accordance with that sub-paragraph.
- (2) The ““first minimum amount”” is—
- (a) if the chargeable interest acquired (or treated as acquired) under the land transaction referred to in paragraph 7(4) or 13(2) is the whole subject-matter of the original contract, the amount of any consideration (in money or money's worth) agreed to be given, under the terms of the original contract, for the acquisition of that subject-matter, or
 - (b) if paragraph (a) does not apply, so much of the amount mentioned in that paragraph as is referable, on a just and reasonable apportionment, to the chargeable interest acquired (or treated as acquired) under the land transaction referred to in paragraph 7(4) or 13(2).
- (3) If conditions A to C are met, the ““first minimum amount”” is the amount of any consideration (in money or money's worth) agreed, under the terms of the transfer to the first T, to be given in respect of the subject-matter of that transaction (including any consideration relating to an obligation of the transferor under the transfer to the first T).
- Condition A* That the pre-completion transaction referred to in paragraph 7(4) or 13(2) is one of a chain of successive transactions (all having at least part of their subject-matter in common) that are pre-completion transactions in relation to the original contract.
- Condition B* That a person (““T””) is the transferor under a pre-completion transaction that forms part of the chain and T is connected with, or not acting at arm's length in relation to—
- (a) the transferee under that transaction, or
 - (b) the transferee under a subsequent transaction in the chain (including the pre-completion transaction referred to in paragraph 7(4) or 13(2)).
- Condition C* That, having regard to all the circumstances, the obtaining of a tax advantage (for any person) was not the main purpose, or one of the main purposes, of T entering into any pre-completion transaction in the chain or any arrangement of which such a transaction was part.
- (4) In this paragraph—
- (a) ““the first T”” means—
 - (i) if condition B is met in relation to only one pre-completion transaction, T, or

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- (ii) if condition B is met in relation to more than one pre-completion transaction in the chain, the transferor in relation to the first of the pre-completion transactions in relation to which condition B is met;
- (b) “the transfer to the first T” means—
 - (i) the pre-completion transaction under which the first T is the transferee, or
 - (ii) the original contract (if T is the original buyer);
- (c) “tax advantage” has the same meaning as in section 31(3).

Commencement Information

II Sch. 2 para. 16 in force at 1.4.2018 by S.I. 2018/34, art. 3

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