

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

## SCHEDULE 4

### CHARGEABLE CONSIDERATION

#### *Exchanges*

- 5 (1) This paragraph applies to determine the chargeable consideration where one or more land transactions are entered into by a person (alone or jointly) as buyer wholly or partly in consideration of one or more other land transactions being entered into by that person (alone or jointly) as seller.
- (2) In this paragraph—
- (a) ““relevant transaction”” means any of those transactions, and
  - (b) ““relevant acquisition”” means a relevant transaction entered into as buyer and ““relevant disposal”” means a relevant transaction entered into as seller.
- (3) The following rules apply if the subject-matter of any of the relevant transactions is a major interest in land—
- (a) where a single relevant acquisition is made, the chargeable consideration for the acquisition is—
    - (i) the market value of the subject-matter of the acquisition as at the effective date of the transaction,
    - (ii) if the acquisition is the grant of a lease at a rent, that rent, and
    - (iii) any value added tax chargeable in respect of that acquisition as at the effective date of the transaction;
  - (b) where two or more relevant acquisitions are made, the chargeable consideration for each relevant acquisition is—
    - (i) the market value of the subject-matter of the acquisition as at the effective date of the transaction,
    - (ii) if the acquisition is the grant of a lease at a rent, that rent, and
    - (iii) any value added tax chargeable in respect of that acquisition as at the effective date of the transaction.
- (4) In determining market value for the purpose of sub-paragraph (3)(a)(i) and (b)(i), no account is to be taken of a reduction in what would otherwise be the market value of the subject-matter where the reduction is the result of anything done, the main purpose or one of the main purposes of which, is to avoid tax (whether by the buyer or any other person).
- (5) The following rules apply if the subject-matter of none of the relevant transactions is a major interest in land—
- (a) where a single relevant acquisition is made in consideration of one or more relevant disposals, the chargeable consideration for the acquisition is the amount or value of any chargeable consideration other than the disposal or disposals that is given for the acquisition;
  - (b) where two or more relevant acquisitions are made in consideration of one or more relevant disposals, the chargeable consideration for each relevant acquisition is the appropriate proportion of the amount or value of any chargeable consideration other than the disposal or disposals that is given for the acquisitions.
- (6) For the purposes of sub-paragraph (5)(b) the appropriate proportion is—

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$$\frac{MV}{TMV}$$

Figure 3 where—

MV is the market value of the subject-matter of the acquisition for which the chargeable consideration is being determined, and

TMV is the total market value of the subject-matter of all the relevant acquisitions.

- (7) This paragraph has effect subject to paragraph 6 (partition etc.: disregard of existing interest).
- (8) This paragraph does not apply in a case to which paragraph 18 (arrangements involving public or educational bodies) applies.

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**Commencement Information**

**II** Sch. 4 para. 5 in force at 1.4.2018 by S.I. 2018/34, art. 3

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