
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 8. (See end of Document for details)

SCHEDULE 4

CHARGEABLE CONSIDERATION

Debt as consideration

- 8 (1) Where the chargeable consideration for a land transaction consists in whole or in part of—
- (a) the satisfaction or release of debt due to the buyer or owed by the seller, or
 - (b) the assumption of existing debt by the buyer,
- the amount of debt satisfied, released or assumed is to be taken to be the whole or, as the case may be, part of the chargeable consideration for the transaction.
- (2) But where the chargeable consideration for a land transaction consists in whole or in part of both—
- (a) the satisfaction or release of debt owed by the seller, and
 - (b) the assumption of that debt by the buyer,
- the amount of debt assumed is to be taken to be the whole or, as the case may be, part of the chargeable consideration for the transaction.
- (3) Where—
- (a) debt is secured on the subject-matter of a land transaction immediately before and immediately after the transaction, and
 - (b) the rights or liabilities in relation to that debt of any party to the transaction are changed as a result of or in connection with the transaction,
- then for the purposes of this paragraph there is an assumption of that debt by the buyer, and that assumption of debt constitutes chargeable consideration for the transaction.
- (4) Where in a case in which sub-paragraph (1)(b) or (2) applies—
- (a) the debt assumed is or includes debt secured on the property forming the subject-matter of the transaction, and
 - (b) immediately before the transaction there were two or more persons each holding an undivided share of that property, or there are two or more such persons immediately afterwards,
- the amount of secured debt assumed is to be determined as if the amount of that debt owed by each of those persons at a given time were the proportion of it corresponding to the person's undivided share of the property at that time.
- (5) For the purposes of sub-paragraph (4), each joint tenant of property is treated as holding an equal undivided share of it.
- (6) If the effect of this paragraph would be that the amount of the chargeable consideration for the transaction exceeded the market value of the subject-matter of the transaction, the amount of the chargeable consideration is treated as limited to that value.
- (7) In this paragraph—
- (a) “debt” means an obligation, whether certain or contingent, to pay a sum of money either immediately or at a future date,

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- (b) “existing debt”, in relation to a transaction, means debt created or arising before the effective date of, and otherwise than in connection with, the transaction, and
- (c) references to the amount of a debt are to the principal amount payable or, as the case may be, the total of the principal amounts payable, together with the amount of any interest that has accrued due on or before the effective date of the transaction.

Commencement Information

II Sch. 4 para. 8 in force at 1.4.2018 by S.I. 2018/34, art. 3

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