The Land Transaction Tax (Administration) (Wales) Regulations 2018

This Statutory Instrument is being considered by the Finance Committee under Standing Order 27.8A.

Background and Purpose

01. The Regulations provide for various matters relating to the administration of land transaction tax.

02. Part 2 of the Regulations sets out the circumstances in which the Welsh Revenue Authority (“WRA”) must issue a certificate following receipt of a land transaction return and other administrative matters relating to the certificate.

03. Part 3 of the Regulations prescribes evidence which must be submitted to the WRA where relief is claimed under Schedule 11 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 in the case of certain land transactions connected to alternative finance investment bonds.

Procedure

04. Negative.

Merits Scrutiny

05. No points are identified for reporting in respect of this instrument.

Policy objectives

06. Statement of policy intent

07. To support the Committee’s scrutiny of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill, the Welsh Government provided information on the policy intent for the delegated powers within the Bill.

Part 1

Regulations 1–2
08. Provides that the regulations come into force on the day Land Transaction Tax (LTT) commences and defines terminology.

Part 2

Regulations 3–6

09. Regulations make provisions about WRA certificates.

10. All regulations are in accordance with related policies in the statement.

11. It stated that Section 64(5) of the Bill noted “The Welsh Minsters may, by regulations, make provision about WRA certificates, including the conditions which must be met before a certificate is issued; the issue of duplicate certificates; and the issue of multiple certificates.”

Part 3

Regulations 7–10

12. Regulations make provisions for prescribed evidence to be submitted in relation to alternative finance investment bonds relief as part of Schedule 11 of the Act.

13. All regulations tabled in this part are in accordance with related policies in the statement.

14. It stated that Paragraphs 9(1), 16 and 18(5) of the Bill noted “The Welsh Minsters have the power to prescribe in regulations further provisions for the application of the [alternative investment bonds] relief” in relation to prescribed evidence.

15. However, regulation 9 prescribes evidence for the purpose of paragraph 18(4)(a), which is not included in the statement.

Finance Committee Stage 1 scrutiny

16. No comments made.

Consultation responses

Assembly consultation

17. No comments made.

Welsh Government consultation

18. No comments made.
Scottish regulations

*Regulations 3–6*

19. **No legislation** relating to certificates for Land and Buildings Transaction Tax (LBTT).

*Regulations 7–10*


UK regulations

21. **No notable differences** between regulations.

*Regulations 3–6*


23. However, regulation 6 states that “WRA must provide separate certificates” in respect of each LTT transaction if requested. This is slightly different to the UK regulation, which states “the Inland Revenue may provide separate certificates.”

*Regulations 7–10*


Government Response

25. No points under ‘merits scrutiny’ were raised.

Committee View

26. The Committee noted the Regulations.