

Explanatory Memorandum to The Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2024

This Explanatory Memorandum has been prepared by the Welsh Treasury and is laid before Senedd Cymru in conjunction with the above subordinate legislation, and in accordance with Standing Order 27.1.

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2024.

I am satisfied that the benefits justify the likely costs.

Rebecca Evans MS
Cabinet Secretary for Finance, Constitution and Cabinet Office

18 June 2024

PART 1 – EXPLANATORY MEMORANDUM

1. Description

1.1 Currently, the higher residential rates of land transaction tax (LTT) apply to transactions of residential property costing £40,000 or more, when the homebuyer already owns an interest in one or more other residential properties (a dwelling/dwellings) worth more than £40,000. Refunds and exceptions can apply in certain circumstances, but the period in which they apply is limited to 3 years from the date of the new purchase or sale of the former home, as relevant.

1.2 Refunds and exceptions apply in the two scenarios described below, typically situations in which homebuyers move between two homes¹.

i) **Refunds - Purchase Before Sale transactions.** A purchase before sale (PBS) scenario describes a situation in which a taxpayer purchases a new only or main residence while still in possession of their previous only residence. In a PBS scenario, a taxpayer will pay the LTT higher residential rate on the purchase of this new dwelling, and may later apply for a LTT partial refund (a refund of the higher residential rates element², which is typically applied at the point of purchase of the new dwelling³, while they still possess their former only or main residence).

The taxpayer may apply for the partial LTT refund (a refund of the higher residential rates element of the original tax charge).

ii) **Exceptions - Sale Before Purchase transactions.** A sale before purchase (SBP) scenario describes a situation in which a taxpayer sells their only or main residence before purchasing a new only or main residence, but may also possess an interest in another dwelling. In a SBP scenario, a taxpayer may benefit from an exception from liability to LTT higher residential rates charges when they purchase their new only or main residence, for up to 3 years from the date they sell their previous only or main residence.

This exception to liability applies only when the taxpayer buys the new only or main residence within 3 years of the sale of the former only or main residence. Once 3 years have passed after the sale of the former only or main residence, the exception rule expires and they must pay the LTT higher residential rates on the new purchase.

1.3 Applications for refunds are made to the Welsh Revenue Authority (WRA). Exceptions are effectively claimed by taxpayers in their self-assessed tax returns, by paying LTT at the main residential rates on the new transaction. The WRA, the body

¹ Move between a former and a new only or main residence

² 'Higher residential rates element' here refers to the difference between the higher residential rate charge and the main residential rate charge.

³ An only or main residence is used here broadly to mean a dwelling that is the home of the taxpayer. A taxpayer could own only one property (perhaps as a buy to let) but live elsewhere (for example, with a partner, at their parents, in rented accommodation or abroad). That owned dwelling will not be their only or main residence as it is not their home.

responsible for managing devolved taxes and ensuring taxpayers pay the correct amount of LTT, checks self-assessments and claims.

1.4 Since the legislation that governs LTT (the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ('LTTA')) was passed in 2017, specific adverse circumstances have arisen such that some transactions can be impeded or prevented, and therefore delayed, to the extent that the 3-year refund and exception period is too short.

The specific adverse circumstances in question are those in which the sale of a previous only or main residence has been:

- i) impeded by fire-safety defects, or
- ii) prevented by emergency restrictions.

1.5 The Regulations will make changes to the LTTA to provide unlimited extensions to the 3-year refund and exception periods as follows.

1.5.1 Refund periods. New rules for refund periods in purchase before sale (PBS) cases.

Fig.1 Illustration – purchase before sale current and proposed new rules

Current rules	
e.g., 1 April 2022 to 31 March 2025	e.g., from 1 April 2025
In this period a taxpayer may claim a partial LTT refund of a LTT higher residential rates charge, paid when purchasing a new home, whilst still owning the previous home. The period starts on the date of purchase of the new only or main residence.	After the 3-year period ends, the right to claim the partial LTT refund expires.
Proposed new rules	
e.g., 1 April 2022 to 31 March 2025	e.g., from 1 April 2025
The 3-year period in which a partial LTT refund can be claimed remains. The period starts on the date of purchase of the new main residence.	The 3-year period ends but the right to claim the partial refund is extended in the specified circumstances.

1.5.1a Purchase before sale (PBS) cases affected by fire-safety defects. In PBS cases in which the sale of a former only or main residence is impeded, and therefore delayed, by fire safety defects, such that the delay prevents a taxpayer claiming a refund within the 3-year period, the new rules will allow a taxpayer to claim a refund after selling their former only or main residence beyond the 3-year period, if all the relevant conditions would have been met within the 3-year period.

1.5.1b PBS cases affected by emergency restrictions. In PBS cases in which the sale of a former main or only residence is impeded, and therefore delayed, by emergency restrictions, such that the delay would prevent a taxpayer claiming a refund within the 3-year period, the 3-year refund period will be extended. However, the extension will apply only where the relevant emergency restrictions are in force on the date the Regulations (providing the extension to the 3-year period) come into force, or after the Regulations (providing the extension to the 3-year period) come into force.

1.5.2 Exception periods. New rules for exception periods in sale before purchase (SBP) cases affected by emergency restrictions.

Fig.2 Illustration – sale before purchase current and proposed new rules

Current rules	
e.g., 1 April 2022 to 31 March 2025	e.g., from 1 April 2025
In this period a taxpayer can claim exception* from liability to LTT higher residential rates charges. The period starts on the date the previous only or main residence is sold.	After the 3-year period ends, the right to claim the exception expires.

(*make their tax self-assessment on the basis they believe they are eligible for exception)

Proposed new rules	
e.g., 1 April 2022 to 31 March 2025	e.g., from 1 April 2025
The 3-year period in which a taxpayer can claim exception* from liability to LTT higher residential rates charges remains. The period starts on the date the previous only or main residence is sold.	The 3-year period ends but the right to claim this exception* from liability is extended.

(*make their tax self-assessment on the basis they believe they are eligible for exception)

1.5.2a In SBP cases, in which the purchase of a new only or main residence is impeded, and therefore delayed, by emergency restrictions, such that the delay would cause the right to apply the exception to expire, the 3-year exception period will be extended, but *only for emergency restrictions which come into force on or after the date the Regulations are made*, and where all other relevant conditions apply.

1.5.2b Please note, unlike the new rules for refunds in PBS transactions, the new rules for the exception periods in SBP transactions will not offer an extension to the 3-year period for SBP transactions impeded by fire safety defects.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

2.1 Legislative Process. If considered individually by the Senedd, the proposed amendments to Section 79(2)(c) LTТА and to Section 78(1) LTТА would require different procedures. Section 79(2)(c) would require consideration by the Senedd through the draft affirmative procedure, and section 78(1) through the negative procedure. Therefore, section 40 of the Legislation (Wales) Act 2019 ('Combining subordinate legislation subject to different Senedd procedures') is engaged, so that the draft affirmative procedure applies to these Regulations. (This is further to footnote (2) on page 3 of the SI.)

2.2 The power in section 78(1) LTТА is used because of the changes to the Tax Collection and Management (Wales) Act 2016.

3. Legislative background

3.1 Schedule 5 to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ('LTTA') sets out the rules identifying when the purchase of a dwelling is subject to the LTT higher residential rates, including exceptions to the requirement to pay higher residential rates.

3.2 Section 24(11) of the LTTA provides the Welsh Ministers with a power to amend Schedule 5.

3.3 See also above, 2. Matters of special interest to the Legislation, Justice and Constitution Committee.

3.4 **LTT higher residential rates.** Currently, the LTT higher residential rates are applied to transactions of residential property (specifically dwellings) costing £40,000 or more, in cases in which the homebuyer already owns (has interests in) one or more other dwellings, where those interests are worth £40,000 or more. The rules also apply so that the interests owned by spouses, civil partners and minor children are treated as a single interest for the purposes of establishing an interest in a dwelling. Refunds and exceptions apply in defined circumstances (see below) and apply for a period of 3 years only, from the time of a relevant transaction.

3.5 **Refunds of the higher residential rates elements of LTT charges.** Currently, purchase before sale (PBS) cases can benefit from a right to claim refunds of the LTT higher residential rates elements of tax charges, in certain circumstances. The relevant rules are set out in the LTTA, schedule 5, paragraphs 8(4) and 17(4). The rule states that when a taxpayer buys a new only or main residence before they sell their former only or main residence, they are required to pay the LTT higher residential rates on the purchase. However, they may reclaim the higher residential rates element⁴ once they sell the former only or main residence, if they sell their former only or main residence within 3 years of the new purchase. (Here, 'higher rate element' refers to the difference between the higher residential rate charge and the main residential rate charge.)

3.6 **Exceptions from liability to pay LTT higher residential rates charges.** Currently, sale before purchase (SBP) cases can benefit from an exception to the general requirement to pay the LTT higher residential rates charges, in certain circumstances. The relevant rules are set out in the LTTA, schedule 5, paragraphs 8(2) and 17(2). The rules state that a taxpayer who, as well as owning an only or main residence also owns an interest in a dwelling which is not an only or main residence, may sell their only or main residence and, for the 3 years following that sale, purchase another only or main residence and not pay the LTT higher residential rates on the transaction. The right to claim this exception expires at the end of the 3-year period, after which the taxpayer is charged LTT at the higher residential rates when purchasing a new only or main residence in such circumstances.

3.7 These rules provide a degree of flexibility to homebuyers, typically when moving from a former only or main residence (which they own(ed)) to a new only or main residence. The 3-

⁴ Here, 'higher residential rates element' refers to the difference between the higher residential rate charge and the main residential rate charge.

year period is intended to provide sufficient time for the sale of a previous residence, including when delays are experienced, such as the collapse of a chain.

3.8 Tax professionals consulted during the stamp duty land tax (SDLT) consultation on the introduction of the SDLT higher residential rates in winter 2015/2016, and for LTT in summer/autumn 2016, indicated that a 3-year period was considered sufficient to sell or buy a dwelling in most instances. In the majority of cases, taxpayers seek to sell a former only or main residences as soon as possible once they have purchased a new residence. In most cases, 3 years will remain a sufficient period.

4. Purpose and intended effect of the legislation which will introduce the new rules.

4.1 Refund Period. Proposed extension to the 3-year refund period for PBS cases.

4.1a The Regulations will amend the LTTA to allow, where the relevant circumstances apply and the specified conditions are met, the 3-year refund period to be extended.

4.1b The relevant circumstances are:

- where the sale of a former main residence was prevented due to emergency restrictions,
and/or
- where the sale of a former main residence was impeded due to issues related to fire safety defects.

4.1c The following conditions must be met:

in cases involving unresolved fire safety defects

- the occurrence of the relevant circumstances could not reasonably have been known about by the buyer, at the point of purchasing their former only or main residence, and the responsibility for remedying the defects was that of a person other than the dwelling's owner,
and
- the previous only or main residence is sold as soon as reasonably possible after ceasing to be subject to the circumstance that prevented or impeded its sale, or, the previous only or main residence was sold with the defects still present,

in cases involving emergency restrictions

- the relevant restriction came into force after the purchase of the intended new only or main residence,
- the restriction had a substantial adverse effect on the taxpayer's ability to sell the former only or main residence before the end of the standard 3-year period,
and
- the sale of the former main or only residence occurred after the date the Regulations come into force and as soon as reasonably practicable thereafter.

4.1d All relevant transactions which take place after the Regulations come into force will be subject to the new rules. Additionally, for PBS cases, transactions which involve the sale of the former only or main residence, which took place on 1 April 2021 or later, where impeded and therefore delayed due to unresolved fire safety defects, and therefore charged at the LTT higher residential rates because of the delay, may be subject to the new refund rules. (1 April 2021 was the earliest date on which the standard 3-year refund period may have expired.)

4.1e The new rules will not allow claims in relation to emergency restrictions in place in the past, including the Covid-19 lockdown periods. (See also paragraphs 5.8 and 5.9.)

4.2 Exception period. Proposed extension to the 3-year exception period for SBP cases.

4.2a The Regulations will amend the LTTA to allow, where the relevant circumstance applies and the specified conditions are met, the 3-year exception period to be extended.

4.2b In SBP cases, in contrast to the PBS cases, only one relevant circumstance may provide grounds for an extension to the exception period to apply:

- Where the purchase of a new only or main residence was prevented due to emergency restrictions.

4.2c For the SBP scenario, the following conditions must be met in each case:

- the relevant restriction came into force after the former only or main residence was sold,
- the restriction had a substantial adverse effect on the taxpayer's ability to buy a replacement of their only or main residence before the end of the standard 3-year period, and
- the new main or only residence was bought on or after the date the Regulations come into force and as soon as reasonably practicable thereafter.

4.3 Timelines, claims and appeals

4.3a As is currently the case, under the new rules claims, refunds and exceptions will be managed by the WRA. In PBS cases, refund claims must be submitted to the WRA, who will make the appropriate refunds. In SBP exception cases, the taxpayer will be required to self-assess their liability, at the LTT main residential rates rather than the higher residential rates if they believe the exception applies. The taxpayer will also be required to include a statement in the return in respect of the transaction concerned to explain how the conditions are met. As is currently the case with self-assessment returns, the WRA will conduct checks to ensure exceptions are properly applied.

4.3b In PBS cases, the new rules will require taxpayers claiming a refund after the initial 3 years have passed, to do so within one year of the sale of the former only or main residence, to include an explanation of why the period greater than 3 years applies to the sale, and to make the claim in the manner required by the WRA.

4.3c In SBP cases, where a taxpayer seeks an exception, the new rules will require the taxpayer when making their self-assessment return, to state why they believe the WRA should allow longer than 3 years for the relevant purchase or sale. The taxpayer may need to provide relevant evidence to support their claim.

4.3d Taxpayers in both PBS and SBP cases will retain their right to request a WRA review, and a right of appeal to the independent tax tribunal regarding WRA decisions concerning their tax cases. This provides an important protection to taxpayers and ensures that disputes in this area between the taxpayer and the WRA can, when necessary, be resolved by an independent body.

4.4 **Fire Safety defects impeding transactions**

4.4a The types of fire safety defects that act as an impediment to sale apply mainly to flats (rather than houses) where responsibility for maintaining fire safety rests (to any extent) with a person, such as for example a freeholder or management company, other than the homeowner. The new rules will apply to PBS cases alone. The extension to the refund period for those dwellings impacted by fire safety defects is primarily aimed at taxpayers who have found themselves with a dwelling they are unable to sell because the defects have resulted in their properties becoming unsaleable. In this context, unsaleable will mean where the number of persons interested in buying the dwelling, or the market value of the dwelling, are substantially reduced in comparison to what would have been the case had the defect not been present. All cases will depend on their individual circumstances, but the Welsh Ministers are, subject to Senedd approval, bringing forward these changes to address the fire safety defects that have become known following the Grenfell Tower tragedy.

4.4b The intention is that the new rules will offer support to homebuyers in a variety of circumstances in which the responsibility to make good fire safety defects rests with persons other than the homebuyer. For instance, a leasehold flat which is unsaleable because of the fire safety defects caused by the actions or inactions of a 'relevant person' such as a freeholder, developer or management company (with the leaseholder being unable to undertake necessary remedial work themselves) would be eligible under the new rules. Some individual houses may also have significant fire safety defects and in many cases, while resolving fire safety defects in individual houses will be the responsibility of the homeowner, defects caused by construction may render individual houses unsaleable or unmortgageable, and therefore responsibility for making good those defects would not rest solely with the taxpayer. Such cases may also be eligible under the new rules. However, homeowners will not be entitled to claim a refund where the fire safety defect that is an impediment to a sale has been caused by their own actions or inactions.

5. Consultation.

5.1 Public consultation was conducted between 19 December 2023 and 17 March 2024. The consultation invited views on the proposed rule changes and their impact, and on the draft statutory instrument (SI). The consultation document can be found here: [Land Transaction Tax Higher Residential Rates: proposals to amend the refund and exception rules | GOV.WALES](#)).

5.2 The report on the consultation responses can be found here: <https://www.gov.wales/land-transaction-tax-higher-residential-rates-proposals-to-amend-the-refund-and-exception-rules>. Responses were generally strongly supportive, or supportive, of the Welsh Government proposals.

5.3 The most significant disagreement expressed in consultation responses was with the Welsh Government's proposed approach to transactions affected by Covid-19 restrictions. The proposed new rules will allow extensions to refund and exception periods where transactions are delayed by emergency restrictions *in future*. However, the new rules will not make provision for transactions affected by emergency restrictions in the past, such as the Covid-19 restrictions.

5.4 Three of the four representative organisations expressed support for the Welsh Government's approach of not allowing refunds in the cases of transactions delayed by the covid-19 lockdowns. However, one believed provision should be made for transactions affected by these circumstances, stating they believed that between July 2020 and 1 April 2021 there was insufficient time for housing transactions to be completed, citing backlogs in local authority searches and conveyancing delays.

5.5 The Welsh Government considers that the approach outlined in the consultation document - to not make changes to the exception and refund rules in relation to emergency restrictions which were in place in the past, including the Covid-19 lockdown periods, but to allow extensions to refund and exception periods where transactions are delayed by emergency restrictions in future - is the most proportionate response. The Welsh Government notes the significant level of support in consultation responses for this aspect of the proposals.

5.6 LTT, including the higher residential rates refund and exception rules, came into force in Wales on 1 April 2018. The housing market in Wales was fully or partially closed due to Covid-19 restrictions between 23 March and 27 July 2020. Therefore, a period of eligibility of almost two years (1 April 2018 to 23 March 2020) before the markets were closed, and eight months or more (from 27 July 2020) following their reopening, was available for taxpayers seeking to benefit from the higher residential rates refund and/or exception rules. The Welsh Government believes that, although the period of eligibility was interrupted in some taxpayers' cases, it was nevertheless a sufficient period. Legislating to increase that period for those affected by the interruption would introduce complexity which would be out of proportion to the anticipated benefit.

5.7 Costs and benefits. The majority of individual respondents expressed the view that the benefits of the new rules would likely justify any additional costs, and that costs would not increase. Of the representative bodies which responded, one expressed the view that in some cases the new rules could slow down housing transactions and could subsequently incur additional cost if transactions took longer to complete. Another recognised that it was difficult to predict whether the benefit of the new rules would justify

the costs but, given that the law currently does not allow for any extension to the 3-year period, the measure should be beneficial.

5.8 Some useful suggestions were made by the representative bodies in terms of the support the Welsh Government, in particular the WRA, should provide to taxpayers in order to support the changes. Some suggestions have influenced amendments to this Explanatory Memorandum with the aim of clarifying the explanations of the changes.

5.9 The draft SI which was published for the consultation was subject to minor post-consultation amendment, to address typographical and other drafting errors.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Options

6.1 Option 1 – retain current rules with no change

6.1.1 The rules would not be amended.

6.1.2 **Advantages.** Established, well-understood rules would remain.

6.1.3 **Disadvantages.** Those affected by the relevant circumstances would be unable to obtain refunds or be eligible for exceptions beyond the current 3 years.

6.2 Option 2 – make regulations to allow for extensions in defined circumstances

6.2.1 Make Regulations to change the legislation to make available extensions to the 3-year LTT higher residential rates exception and refund periods in specified circumstances.

6.2.2 **Advantages.** Consistent with Welsh Government tax priorities, this option offers fairer tax treatment to affected taxpayers and is therefore preferable to option 1. Option 2 legislates for the circumstances in which a taxpayer may claim refunds or benefit from exceptions. Option 2 is associated with lower administrative cost than option 3.

6.2.3 **Disadvantages.** This option may involve changes to WRA operations, and taxpayers and external advisers will need to familiarise themselves with the new rules.

6.3 Option 3 – a grant scheme

6.3.1 The LTT rules might remain unamended but new legislation would be required to establish and govern a new scheme, if a statutory rather than non-statutory scheme were required. Relief could be provided through grants as appropriate, alongside the existing dual routes of refund and exemption periods where the standard 3-year rules would apply. Grants to the value of the higher residential rates element would be made available, using the eligibility criteria set out in Part 1 of the Explanatory Memorandum.

6.3.2 **Advantages.** This option would provide fairer treatment, and would be preferable to option 1, which offers no remedy to taxpayers.

6.3.3 **Disadvantages.** It is not thought possible to accurately estimate the cost-benefit ratio, but it is considered to be more expensive and time consuming than option 2. Setting up a new scheme would be more time consuming than deploying existing mechanisms. Once operational, the scheme would need to raise awareness and educate taxpayers and agents, which could take longer than for option 2. A grants scheme would be operationally complex, whether an entirely new scheme or, if possible, as an addition to an existing scheme. Appending a grants scheme to a taxation regime would provide additional legal complexity. A new appeal structure may be required to resolve cases of disagreement between taxpayers and the relevant grant body.

6.4 **Options Summary.** Option 2 is preferred on the grounds of the balance of advantage over disadvantage.

7. Costs and Benefits

Option 1 – retain current rules with no change

7.1.1 **Costs.** Future costs are not fully known. Estimating future cost, and the period over which cost may be incurred is challenging.

7.1.2 **Benefits.** UK Government funding to support the Welsh Government to address fire safety defects is already established, via the block grant.

7.1.3 **Option 1 Summary.** This option is seen as sub-optimal, as benefits to taxpayers are sought beyond those currently provided.

Option 2 – make the proposed regulations to allow for extensions in defined circumstances

7.2.1 **Costs.** Cost categories are likely to be the following,

- Refunds of LTT higher residential rates element - cost to Welsh Government recoverable via pre-established UK Government funding to address fire safety defects via the block grant,
- WRA administrative costs (minimal),
- Possible tribunal and appeals activity (very few anticipated), and
- costs to taxpayers, conveyancers and other advisers (anticipated to be low).

7.2.2 **Refunds.** As is the case for Option 1, UK Government funding to support the Welsh Government to address fire safety defects is already established, via the block grant. The costs are therefore likely to be very low, with an uncertain profile, over a number of years. No register of potentially affected properties exists, therefore costs are estimated here on the basis of known and potential cases which may give rise to refund claims. The WRA estimates likely refunds may amount to £0.75m, over successive financial years. The timeframe is associated with the time required for remediation and sale of properties affected by fire safety defects.

Average refund	£15,000
Cases estimated (over 3 years)	50
Estimated overall cost	£750,000

7.2.3 The new provision will have implications for the WRA's management of claims. The WRA expects the volume of claims to be low, and the work to be accommodated within the existing operational framework and approach to claims.

7.2.4 Taxpayers and their advisers will need to familiarise themselves with the new rules prior to applying for refunds or exceptions. As the rules will apply in only a relatively small number of cases, it is anticipated that most taxpayers will not need to use these rules.

7.2.5 **Benefits.** In relation to taxpayers in the PBS Refund scenario, the average LTT higher residential rates refund is around £15,000. This is likely also to be the average cost saving for taxpayers in the SBP exception scenario who claim an extension to the exemption period. As the process for claiming a refund, or paying the main residential

rates on a purchase are within the LTT regime, the taxpayers' appeal rights are clearly set out in the current Welsh Tax Acts.

7.2.6 Option 2 Summary. Overall, the changes will make the tax fairer at minimal cost and, for the relatively small number of cases involved, to allow the housing market to operate more smoothly. The benefits justify the likely costs.

Option 3 – a grant scheme

7.3.1 Costs. Cost categories are likely to be the following,

- Establishment and operation of the scheme,
- Communication and education activity to raise awareness among taxpayers, agents, etc,
- Funding to pay any grants.

7.3.2 Establishment and operations. Considerable cost would be involved in establishing and operating the administration required for such a scheme, potentially involving WRA processes, whether the WRA or another body were to be responsible for its administration. Involvement of other government bodies may be required. There may also be costs associated with statutory reporting. An appeals process may be required, for applicants who disagreed with funding body decisions, which would add administrative complexity and cost.

7.3.3 Communication and raising awareness. Costs have not been estimated, on the basis that likely establishment and operational costs alone render this option unfavourable.

7.3.4 Funding. The eventual cost of grants, which would depend on the numbers of successful taxpayer applications, would be expected to match the estimated cost of refunds as discussed in relation to option 2.

7.3.5 Benefits. Taxpayers would be able to obtain fairer tax treatment as in option 2.

7.3.6 Option 3 Summary. The anticipated cost of this option, in relation to the benefit it would afford, and in comparison with option 2, suggests this option is likely to be less preferable than option 2.

Costs and Benefits Summary.

7.4 Option 2 is preferred on the grounds of cost and benefit.

8. Integrated Impact Assessment

8.1 The Integrated Impact Assessment produced following the public consultation, can be found here: [The Land Transaction Tax and Anti-Avoidance of Devolved Taxes \(Wales\) Act 2017 \(Amendments to Schedule 5\) Regulations 2024: integrated impact assessment | GOV.WALES](#) .

9. Competition Assessment

9.1 The new Regulations may introduce requirements for businesses to change practices, with the potential to incur cost, however the new Regulations do not introduce prejudice or favour to any sector or individual business. Therefore, it is not considered that the Regulations will affect competition.

10. Post-Implementation Review

10.1 Post-implementation monitoring to assess the effectiveness of the legislation will include analysis of data reflecting interest in and take-up of the relevant refunds and exceptions. Claims and exceptions will be assessed by the WRA on an ongoing basis.