

Draft Regulations laid before Senedd Cymru under section 79(2)(d) of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, for approval by resolution of Senedd Cymru.

DRAFT WELSH STATUTORY
INSTRUMENTS

2025 No. (W.)

**LAND TRANSACTION TAX,
WALES**

**The Land Transaction Tax
(Modification of Relief for
Acquisitions Involving Multiple
Dwellings) (Wales) Regulations
2025**

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (“the LTTA 2017”) to amend Schedule 13 (relief for acquisitions involving multiple dwellings) which provides a relief from land transaction tax in relation to acquisitions involving multiple dwellings.

Regulation 3 inserts a new paragraph 7A into Schedule 13 to the LTTA 2017, relating to circumstances in which dwellings that are subsidiary to another dwelling do not count as separate dwellings when establishing the number of relevant dwellings for the purposes of relief for acquisitions involving multiple dwellings.

Regulation 4 includes transitional provisions that provide that the Regulations do not affect land transactions effected in pursuance of a contract entered into or substantially performed before 7 February 2025, subject to certain conditions.

These Regulations come into force on 7 February 2025.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to

the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

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Made

Coming into force

7 February 2025

The Welsh Ministers, in exercise of the powers conferred on them by sections 30(6) and 78 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017(1), make the following Regulations.

In accordance with section 79(2)(d) of that Act, a draft of these Regulations was laid before and approved by a resolution of Senedd Cymru.

Title and coming into force

1.—(1) The title of these Regulations is the Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2025.

(2) These Regulations come into force on 7 February 2025.

(1) 2017 anaw 1.

Interpretation

2. Words and expressions used in these Regulations have the same meaning as they have in the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017.

Modification of relief for acquisitions involving multiple dwellings

3. In Schedule 13 to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, after paragraph 7 insert—

“Circumstances in which subsidiary dwellings do not count as separate dwellings

“7A.—(1) Sub-paragraph (3) applies in relation to a chargeable transaction—

(a) where—

- (i) the buyer is an individual, and
- (ii) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“purchased dwellings”),

(b) where only one of the purchased dwellings is a qualifying dwelling, and

(c) to which paragraph 15 of Schedule 5 does not apply.

(2) But sub-paragraph (3) does not apply in relation to a chargeable transaction that—

(a) is within sub-paragraph (1), and

(b) to which paragraph 18 of Schedule 5 applies (intermediate transaction treated as a higher rates residential property transaction).

(3) For the purposes of this Schedule, the interests in the qualifying dwelling mentioned in sub-paragraph (1)(b) and a purchased dwelling (or more than one) that is subsidiary to it are treated as if they were an interest in a single dwelling.

(4) For the purposes of this paragraph, a purchased dwelling (“dwelling A”) is subsidiary to a qualifying dwelling (“dwelling B”) if dwelling A would be subsidiary to dwelling B for the purposes of Schedule 5 (see paragraph 14 of that Schedule).

(5) In this paragraph, “qualifying dwelling” means a dwelling that is a qualifying dwelling for the purposes of Part 3 of Schedule 5 (see paragraph 13 of that Schedule).”

Transitional provisions

4.—(1) The amendments made by these Regulations have effect in relation to a land transaction with an effective date on or after 7 February 2025.

(2) But the amendments made by these Regulations do not have effect in relation to a land transaction if—

- (a) the transaction is effected in pursuance of a contract entered into and substantially performed before 7 February 2025, or
- (b) the transaction is effected in pursuance of a contract entered into before 7 February 2025 and is not excluded by paragraph (3).

(3) A land transaction is excluded if—

- (a) there is any variation of the contract, or assignment of rights under the contract, on or after 7 February 2025,
- (b) the transaction is effected in consequence of the exercise on or after 7 February 2025 of any option, right of pre-emption or similar right, or
- (c) on or after 7 February 2025 there is an assignment, subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the buyer under the contract becomes entitled to call for a transfer.

(4) If—

- (a) a post-commencement land transaction is linked to a pre-commencement land transaction, and
- (b) the pre-commencement land transaction is a relevant transaction for the purposes of paragraph 3 of Schedule 13 to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017,

the amendments made by these Regulations do not have effect in relation to the post-commencement land transaction.

(5) In paragraph (4)—

- (a) “pre-commencement land transaction” means a land transaction the effective date of which is before 7 February 2025 or which meets the conditions in paragraph (2)(a) or (2)(b);
- (b) “post-commencement land transaction” means all other land transactions.

Name

Cabinet Secretary for Finance and Welsh Language,
one of the Welsh Ministers

Date