

SL(6)562 – The Land Transaction Tax (Modification of Special Tax Sites Relief) (Wales) Regulations 2025

Background and Purpose

These Regulations amend Schedule 21A to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017.

Schedule 21A provides for a relief from land transaction tax for qualifying transactions of land within a special tax site. Under paragraph 2 of that Schedule, the relief currently applies to designated areas comprising the Celtic Freeport¹.

These Regulations extend the relief to designated areas comprising the Ynys Môn Freeport² with effect from 23 January 2025.

Procedure

Draft affirmative.

The Welsh Ministers have laid a draft of the Regulations before the Senedd. The Welsh Ministers cannot make the Regulations unless the Senedd approves the draft Regulations.

Technical Scrutiny

No points are identified for reporting under Standing Order 21.2 in respect of this instrument.

Merits Scrutiny

The following 2 points are identified for reporting under Standing Order 21.3 in respect of this instrument.

- 1. Standing Order 21.3(i) – that it imposes a charge on the Welsh Consolidated Fund or contains provisions requiring payments to be made to that Fund or any part of the government or to any local or public authority in consideration of any licence or consent or of any services to be rendered, or prescribes the amount of any such charge or payment.**

Section 25 of the Tax Collection and Management (Wales) Act 2016 provides that the Welsh Revenue Authority must pay amounts collected in the exercise of its functions, which includes the collection of LTT, into the Welsh Consolidated Fund.

¹ The areas designated by the UK Government as special areas by the Designation of Special Tax Sites (Celtic Freeport) Regulations 2024/1035 made on 16 October 2024.

² The areas designated by the UK Government as special areas by the Designation of Special Tax Sites (Anglesey Freeport) Regulations 2024/1286 made on 4 December 2024.



These Regulations extend special tax site relief from LTT to an additional special tax site (the Ynys Môn Freeport) until 30 September 2029.

2. Standing Order 21.3(ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd.

The Explanatory Memorandum notes³ that,

“The relief is a subsidy in the form of a geographically limited relief provided to those businesses buying land and meeting the qualifying conditions within the designated special tax site for a limited period of time. The Subsidy Control Scheme for Welsh Freeports was referred to the Competition and Markets Authority...in accordance with section 31 of the Subsidy Control Act 2022, and registered upon the subsidy database in accordance with section 33 of that Act.

Welsh Government response

A Welsh Government response is not required.

Legal Advisers

Legislation, Justice and Constitution Committee

18 December 2024

³ Page 4, paragraph 3.4.

