

**Mark Drakeford AS/MS**  
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru  
Welsh Government

Our ref: MA-MDMFWL-11056-24

Elin Jones MS  
Llywydd  
Senedd Cymru

10 December 2024

Dear Llywydd,

**The Land Transaction Tax (Tax Bands and Tax Rates) (Wales) (Amendment) Regulations 2024**

I have today made the Land Transaction Tax (Tax Bands and Tax Rates) (Wales) (Amendment) Regulations 2024 under sections 24(1)(b) and 78(1) of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ("LTTA 2017"). These Regulations will come into force on 11 December 2024. I attach a copy of the statutory instrument. Once the statutory instrument has been registered, I intend to lay this and an accompanying Explanatory Memorandum on 10 December 2024.

In accordance with the procedure set out in section 25(2) of the LTTA 2017, this instrument must be approved by the Senedd by 27 January 2025 for it to remain in effect. In these circumstances I understand Standing Order 21.4A is relevant and the Business Committee may establish and publish a timetable for the responsible committee or committees to report. It may be helpful to know that I intend to hold the plenary debate for this item of subordinate legislation on 21 January 2025.

I am copying this letter to the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip, Mike Hedges MS, Chair of the Legislation, Justice and Constitution Committee, Peredur Owen Griffiths MS, Chair of the Finance Committee, Siwan Davies, Director of Senedd Business, Sian Wilkins, Head of Chamber and Committee Services and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style and is positioned above a horizontal line.

**Mark Drakeford AS/MS**  
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

*Regulations made by the Welsh Ministers, laid before Senedd Cymru under section 25(2) of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 1), for approval by resolution of Senedd Cymru within 28 days beginning with the day on which the Regulations were made, disregarding any periods of dissolution or recess for more than 4 days.*

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W E L S H S T A T U T O R Y  
I N S T R U M E N T S

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**2024 No. (W. )**

**LAND TRANSACTION TAX,  
WALES**

**The Land Transaction Tax (Tax  
Bands and Tax Rates) (Wales)  
(Amendment) Regulations 2024**

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Land Transaction Tax (Tax Bands and Tax Rates) (Wales) Regulations 2018 (S.I. 2018/128 (W. 32)) (“the 2018 Regulations”) so as to insert revised percentage tax rates for the tax bands applicable to higher rates residential property transactions.

Regulation 3 applies the revised percentage tax rates to the higher rates residential property transactions where the effective date of the transaction falls on or after 11 December 2024.

Regulation 4 goes on to set out an exception. Where the effective date for such transactions falls on or after 11 December 2024, but where contracts were entered into or the substantial performance of that contract took place prior to 11 December 2024, the previous percentage tax rates will continue to apply, unless one of the exclusions set out in regulation 5 applies.

Regulation 6 sets out the tax bands and revised percentage tax rates that are to apply to higher rates

residential property transactions.

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 and on the Welsh Government's website at [www.gov.wales](http://www.gov.wales).

*Regulations made by the Welsh Ministers, laid before Senedd Cymru under section 25(2) of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 1), for approval by resolution of Senedd Cymru within 28 days beginning with the day on which the Regulations were made, disregarding any periods of dissolution or recess for more than 4 days.*

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W E L S H S T A T U T O R Y  
I N S T R U M E N T S

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**2024 No. (W. )**

**LAND TRANSACTION TAX,  
WALES**

**The Land Transaction Tax (Tax  
Bands and Tax Rates) (Wales)  
(Amendment) Regulations 2024**

*Made at \*\*\* on \*\*\**

*Laid before Senedd  
Cymru at \*\*\* on \*\*\**

*Coming into force 11 December 2024*

The Welsh Ministers make the following Regulations in exercise of the powers conferred on them by sections 24(1) and 78(1) of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017(1).

**Title and commencement**

1.—(1) The title of these Regulations is the Land Transaction Tax (Tax Bands and Tax Rates) (Wales) (Amendment) Regulations 2024.

(2) These Regulations come into force on 11 December 2024.

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(1) 2017 anaw 1.

## **Interpretation**

2.—(1) In these Regulations, “the 2018 Regulations” means the Land Transaction Tax (Tax Bands and Tax Rates) (Wales) Regulations 2018<sup>(1)</sup>.

(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.

## **Application**

3. These Regulations apply in relation to higher rates residential property transactions with an effective date which is on or after 11 December 2024.

4. But these Regulations do not apply in relation to any transaction mentioned in regulation 3 which is—

- (a) effected in pursuance of a contract entered into and substantially performed before 11 December 2024, or
- (b) effected in pursuance of a contract entered into but not substantially performed before 11 December 2024 and not excluded by regulation 5.

5. A transaction is excluded by this regulation if it is a transaction specified in regulation 3 which is effected in pursuance of a contract entered into before 11 December 2024 and where—

- (a) there is any variation of the contract, or assignment of rights under the contract, on or after 11 December 2024,
- (b) the transaction is effected in consequence of the exercise on or after 11 December 2024 of any option, right of pre-emption or similar right, or
- (c) on or after 11 December 2024 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 purchaser under the contract becomes entitled to call for a transfer.

## **Amendment of the Land Transaction Tax (Tax Bands and Tax Rates) (Wales) Regulations 2018**

6. In the Schedule to the 2018 Regulations, for Table 2 substitute—

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(1) S.I. 2018/128 (W. 32), amended by S.I. 2020/1618 (W. 339), regulation 6(1) and (2); there are other amending instruments, but none are relevant to these Regulations.

**“Table 2: Higher rates residential property transactions**

<i>Tax band</i>	<i>Relevant consideration</i>	<i>Percentage tax rate</i>
First tax band	Not more than £180,000	5%
Second tax band	More than £180,000 but not more than £250,000	8.5%
Third tax band	More than £250,000 but not more than £400,000	10%
Fourth tax band	More than £400,000 but not more than £750,000	12.5%
Fifth tax band	More than £750,000 but not more than £1,500,000	15%
Sixth tax band	More than £1,500,000	17%”.

Name: Mark Drakeford MS  
Cabinet Secretary for Finance and Welsh Language,  
one of the Welsh Ministers  
Date: 10/12/24