



Llywodraeth Cymru
Welsh Government



HM Revenue
& Customs

Simon Thomas AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

26th January 2017

Devolved Welsh Taxes – Transition from HMRC to Welsh Revenue Authority

Dear Simon,

In response to the Finance Committee's report on the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill, we wanted to offer our assurance that the Welsh Revenue Authority (WRA) implementation team and HMRC are working together to ensure a smooth transition from Stamp Duty Land Tax (SDLT) and Landfill Tax (LfT) to the new devolved Welsh taxes, and to develop a joined up compliance regime from 2018.

The Committee has rightly raised the issue of how cross-border land transactions will be dealt with following devolution of SDLT. We expect no more than 30 such transactions per year. We have consulted with stakeholders to help us all to understand the key issues and the concerns of conveyancing professionals. We are working closely with Land Registry to ensure that cross-border transactions can be identified by both tax authorities and that they can be identified clearly on Land Registry titles by taxpayers or their agents from April 2018.

HMRC and the WRA implementation team are committed to delivering clear joint guidance for those taxpayers and agents who are involved in cross-border transactions, and we are confident that both HMRC and WRA can provide a clear and workable solution. HMRC is committed to a joint working approach with the WRA and would not seek to change our SDLT legislative approach to managing cross-border transactions.

We have also established a joint SDLT and LfT transition project, which met for the first time in October last year. It will meet again in late January to discuss and finalise a joint transition plan including shared milestones (which includes I.T. changes, business processes, joint communications and taxpayer guidance).

Following the devolution of taxes and the creation of the WRA it is important that we seize the opportunity to share data, expertise and intelligence across UK tax authorities, this will ensure a complete view of compliance risks and a robust, integrated approach to dealing with them. In a first step towards enabling this cross-government working, a group has been established to enable systems and processes in WRA and HMRC to share relevant compliance information.

The WRA implementation team and HMRC would be happy to update the Committee on progress on dealing with cross-border transactions and data-sharing as our work develops.

Yours sincerely,



Dyfed Alsop
Welsh Revenue Authority Implementation Director



Morris Graham
Deputy Director / Head of Stamps HMRC