

SL(6)664 – The Land Transaction Tax (Modification of Special Tax Sites Relief) (No. 3) (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 (“LTT”) 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 and the Ynys Môn Freeport².

These Regulations extend the relief to the Flintshire and Wrexham Investment Zone³, with effect from 21 November 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

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

1. Standing Order 21.2(vi) – that its drafting appears to be defective or it fails to fulfil statutory requirements.

Regulation 1(2) specifies that these Regulations come into force at a particular point in time (at 12:01 a.m. on 21 November 2025).

However, the italic coming into force date below the SI title states “21 November 2025” and omits the relevant time.

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.

³ The areas designated by the UK Government as special areas by the Designation of Special Tax Sites (Flintshire and Wrexham Investment Zone) Regulations 2025/1080 made on 14 October 2025.



Merits Scrutiny

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

- 2. 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.

These Regulations extend special tax site relief from LTT to the identified Investment Zone from 21 November 2025 until 30 September 2034.

- 3. 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.**

Paragraph 3.6 of the Explanatory Memorandum to these Regulations notes 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 IZs was referred to the Competition and Markets Authority (“CMA”) in accordance with section 31 of the Subsidy Control Act 2022, and registered on the subsidy database in accordance with section 33 of that Act on 6 October 2025, Scheme SC11410.”

Welsh Government response

A Welsh Government response to the technical reporting point is required.

Committee Consideration

The Committee considered the instrument at its meeting on 10 November 2025 and reports to the Senedd in line with the reporting points above.

