

*Draft Regulations laid before Senedd Cymru under section 143A(5)(c) of the Local Government Finance Act 1988, for approval by resolution of Senedd Cymru.*

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DRAFT WELSH STATUTORY  
INSTRUMENTS

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**2025 No. (W.)**

**RATING AND VALUATION,  
WALES**

**The Non-Domestic Rating  
(Chargeable Amounts) (Wales)  
Regulations 2025**

**EXPLANATORY NOTE**

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

These Regulations come into force on 31 December 2025 and apply in relation to Wales.

These Regulations prescribe the rules to be used to find the chargeable amount for cases which fall within the descriptions prescribed in these Regulations.

The prescribed rules apply to a chargeable day falling within the period of three years beginning with 1 April 2026 and ending with 31 March 2029 (“the relevant period”). A chargeable day is defined in regulation 2.

The prescribed rules apply to defined hereditaments. Regulation 3 provides that a defined hereditament is a hereditament shown in a local list or in the central list on 31 March 2026, the relevant day and every day between. Where a hereditament is removed from a local list or the central list, subject to any appeal regarding removal from such a list, the prescribed rules do not apply to the hereditament from the day on which the removal took effect. Such a removal would not impact the application of the prescribed rules to the hereditament prior to the day on which the removal took effect.

The prescribed rules reduce the increase in a ratepayer’s liability as a result of the 2026 revaluation. Regulation 4 provides the calculation for the chargeable amount for the hereditament on 31 March 2026 (the base liability, “BL”). This is the day before the new lists compiled on 1 April 2026 have effect.

The calculation is made in accordance with section 43 of the Local Government Finance Act 1988 (“the Act”) for occupied hereditaments in a local list, or section 54 of the Act for hereditaments in the central list, as appropriate. There is no calculation for BL where a hereditament is unoccupied on 31 March 2026 as the prescribed rules only apply where a person occupies the hereditament on that date (see regulation 6).

Regulation 5 provides the calculation for finding the notional chargeable amount (“NCA”). This is the chargeable amount that would apply for the defined hereditament on 1 April 2026, if the prescribed rules did not apply. The NCA is calculated in accordance with section 43, section 45 (for unoccupied hereditaments in a local list), or section 54 of the Act, as appropriate.

Regulation 5(1) is modified by paragraph (2) of that regulation in the event that there is a reduction to the chargeable amount for a hereditament (calculated in accordance with section 43, 45 or 54 of the Act) which takes effect during the relevant period but from a day after 1 April 2026. It operates so that the NCA, used for the purposes of regulation 6(a) and the formulae in regulations 10 and 11, is calculated using the new chargeable amount on the date the change took effect, rather than the chargeable amount on 1 April 2026. Provision is made for where that date falls within a year which contains 366 days.

Part 3 sets out the case to which the prescribed rules apply. The prescribed rules apply where a defined hereditament satisfies all of the conditions in regulation 6(a) to (d). Regulation 6(a) provides that for the prescribed rules to apply, the NCA must exceed the BL by more than £300. Regulation 6(b) and (c) requires that the person occupying the defined hereditament on 31 March 2026 is the same person who is the ratepayer on 1 April 2026. Where occupation or the liable ratepayer of the hereditament changes on 1 April 2026 or any later date during the relevant period, the prescribed rules do not apply. Regulation 6(d) addresses the situation where a part of a hereditament is unoccupied and the billing authority has required the valuation officer to apportion the rateable value of the hereditament between the occupied and unoccupied parts of the hereditament under section 44A(1) of the Act. The prescribed rules do not apply where such an apportionment applies to a defined hereditament or has effect in relation to the chargeable amount.

Where a defined hereditament is a case which meets all the requirements of the prescribed description in regulation 6, the rules prescribed in regulations 8 to 12 apply. These rules are to be used to find the chargeable amount for a chargeable day.

The first step under regulation 8 is to calculate the chargeable amount for the hereditament under section 43, 45 or 54 of the Act, as appropriate. The second step is to reduce that amount by the amounts calculated under whichever of regulations 10 to 12 applies.

Regulations 10 and 11 provide a phased reduction in chargeable amounts during the period beginning with 1 April 2026 and ending with 31 March 2028. In the first year, the chargeable amount is reduced by an amount equal to 67% of the increase in liability between 31 March 2026 and 1 April 2026. In the second year, the chargeable amount is reduced by 34% of the increase in liability between 31 March 2026 and 1 April 2026. The reduction in chargeable amount is calculated for each relevant day, with the figure 366 used in regulation 11 to reflect that 2028 is a leap year. Regulation 12 provides that during the period beginning with 1 April 2028 and ending with 31 March 2029 the chargeable amount is that found under section 43, 45 or 54 of the Act, as appropriate (i.e. there is no reduction for that financial year).

Regulation 9 ensures that the prescribed rules do not reduce the chargeable amount to below zero.

Regulation 13 revokes the Non-Domestic Rating (Chargeable Amounts) (Wales) Regulations 2022.

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 Non-Domestic Rates Policy and Reform Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

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**2025 No. (W. )**

**RATING AND VALUATION,  
WALES**

**The Non-Domestic Rating  
(Chargeable Amounts) (Wales)  
Regulations 2025**

*Made*

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*Coming into force*

*31 December 2025*

The Welsh Ministers make the following Regulations in exercise of the powers conferred on them by sections 58(1) to (7) and 143A(2)(b) of the Local Government Finance Act 1988<sup>(1)</sup>.

In accordance with section 143A(5)(c) of that Act, a draft of this instrument has been laid before and approved by a resolution of Senedd Cymru.

In accordance with section 58(9) of that Act, the Welsh Ministers have had regard to the object of securing (so far as practicable) that the aggregate amount payable to the Welsh Ministers and all billing authorities by way of non-domestic rates as regards each particular financial year falling within the relevant period does not exceed that which the Welsh

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(1) 1988 c. 41. See section 146(6) for the definition of “prescribed”. Section 58 was amended by section 2 of the Non-Domestic Rating Act 1994 (c. 3), section 117(1) of, and paragraph 68 of Schedule 13 to, the Local Government Finance Act 1992 (c. 14), section 17, and paragraphs 1 and 5(a) and (b) of the Schedule to the Non-Domestic Rating Act 2023 (c. 53), and section 15, and paragraphs 1(1) and (10)(a), (b), (c) and (d) and 19(1) and (2)(a), (b) and (c) of the Schedule to, the Local Government Finance (Wales) Act 2024 (asc 6). Section 143A was inserted into the Act by section 14 of the Local Government Finance (Wales) Act 2024.

Ministers consider would be likely to be payable apart from these Regulations.

## PART 1

### Preliminary: general

#### Title, coming into force and application

1.—(1) The title of these Regulations is the Non-Domestic Rating (Chargeable Amounts) (Wales) Regulations 2025.

(2) These Regulations come into force on 31 December 2025<sup>(1)</sup>.

(3) These Regulations apply in relation to the period beginning with 1 April 2026 and ending with 31 March 2029 (“the relevant period”).

#### Interpretation

2. In these Regulations—

“the Act” (“*y Ddeddf*”) means the Local Government Finance Act 1988;

“base liability” (“BL”) (“*rhwymedigaeth sylfaenol*” (“*RhS*”)) is the amount calculated in accordance with regulation 4;

“central list” (“*rhestr ganolog*”) means a list maintained in accordance with section 52ZA(10) of the Act<sup>(2)</sup>;

“chargeable day” (“*diwrnod y codir swm ynglŷn ag ef*”) has the following meanings—

- (a) in relation to occupied hereditaments shown in a local list, the meaning given in section 43(3) of the Act;
- (b) in relation to unoccupied hereditaments shown in a local list, the meaning given in section 45(3) of the Act;
- (c) in relation to hereditaments shown in the central list, the meaning given in section 54(3) of the Act;

“defined hereditament” (“*hereditament diffiniedig*”) has the meaning given in regulation 3;

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(1) In accordance with section 58(8) of the Act which requires regulations to come into force before 1 January immediately preceding the financial year to which they apply.

(2) Section 52ZA was inserted into the Act by section 3(3) of the Local Government Finance (Wales) Act 2024.

“local list” (“*rhestr leol*”) means a list maintained in accordance with section 41ZA(10) of the Act<sup>(1)</sup>;

“notional chargeable amount” (“NCA”) (“*swm tybiannol a godir*” (“*STG*”)) is the amount calculated in accordance with regulation 5;

“relevant day” (“*diwrnod perthnasol*”) is a chargeable day falling within the relevant period;

“relevant period” (“*cyfnod perthnasol*”) has the meaning given in regulation 1(3).

### Defined hereditament

3. A hereditament is a defined hereditament in respect of a relevant day if it is shown in a local list or the central list on—

- (a) 31 March 2026,
- (b) the relevant day, and
- (c) each day, if any, falling after 31 March 2026 and before the relevant day.

## PART 2

### Preliminary: calculations

### Base liability

4. The BL for a defined hereditament is the chargeable amount for 31 March 2026 calculated in accordance with section 43(2) or 54(3) of the Act as appropriate, multiplied by 365.

### Notional chargeable amount

5.—(1) Except where paragraph (2) applies, the NCA for a defined hereditament is the chargeable amount for 1 April 2026 calculated in accordance with section 43, 45(4) or 54 of the Act as appropriate, multiplied by 365.

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- (1) Section 41ZA was inserted into the Act by section 2(3) of the Local Government Finance (Wales) Act 2024.
  - (2) Section 43 was amended by paragraph 60 of Schedule 13 to the Local Government Finance Act 1992 and section 1(1) of the Non-Domestic Rating Act 2023.
  - (3) Section 54 was amended by section 3(1) of the Non-Domestic Rating Act 2023 and paragraph 1(7) of the Schedule to the Local Government Finance (Wales) Act 2024.
  - (4) Section 45 was amended by section 139 of, and paragraph 23 of Schedule 5 to, the Local Government and Housing Act 1989 (c. 42), section 2(2) of, and Schedule 2 to, the Rating (Empty Properties) Act 2007 (c. 9), section 2(1) of the Non-Domestic Rating Act 2023 and section 15 of, and paragraph 1(4) of the Schedule to, the Non-Domestic Rating (Wales) Act 2024.

(2) Where, for a day after 1 April 2026, the chargeable amount for a defined hereditament calculated in accordance with section 43, 45 or 54 of the Act is lower than the NCA, paragraph (1) has effect as regards the defined hereditament except that—

- (a) for “1 April 2026” substitute “the day on which the change to the chargeable amount has effect”, and
- (b) for “365” substitute “the number of days in the financial year within which that day falls”.

## PART 3

Case to which the prescribed rules apply

### Prescribed description

6. For the purpose of section 58(2) of the Act, the case falling within the prescribed description is a defined hereditament where—

- (a) the NCA is greater than the sum calculated by applying the formula—

$$BL + 300,$$

- (b) the person who was the ratepayer within the meaning of section 43 or 54 of the Act on 31 March 2026 is the same person as the ratepayer within the meaning of section 43, 45 or 54 of the Act on the relevant day,
- (c) the hereditament was occupied by the person referred to in paragraph (b) on 31 March 2026, and
- (d) no apportionment under section 44A(1)(1) of the Act applies to the hereditament or has effect in relation to the chargeable amount.

## PART 4

Prescribed rules

### Rules for finding the chargeable amount

7. For the purpose of section 58(3) of the Act, the chargeable amount for a defined hereditament to which

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(1) Section 44A of the Act was inserted by section 139, and paragraph 22 of Schedule 5 to, the Local Government and Housing Act 1989. It was amended by section 117(1) of, and paragraph 62 of Schedule 13 to, the Local Government Finance Act 1992, section 2(1) of, and paragraph 1(2), (3) and (5) of Schedule 1 to, the Rating (Empty Properties) Act 2007, and section 17(1)(a) of, and paragraph 2 of the Schedule to, the Non-Domestic Rating Act 2023.

regulation 6 applies is to be calculated in accordance with the rules prescribed in regulations 8 to 12.

8. The chargeable amount for a relevant day is the amount calculated in accordance with section 43, 45 or 54 of the Act, as appropriate, less the amount calculated under whichever of regulations 10 to 12 applies.

9. If the result of reducing the chargeable amount in accordance with the rules in regulations 10 to 12 is to produce a negative figure, the chargeable amount is zero.

#### **Financial year beginning with 1 April 2026**

10. In the financial year beginning with 1 April 2026, the chargeable amount is reduced by an amount calculated by applying the formula—

$$\frac{(NCA - BL) \times 0.67}{365}$$

#### **Financial year beginning with 1 April 2027**

11. In the financial year beginning with 1 April 2027, the chargeable amount is reduced by an amount calculated by applying the formula—

$$\frac{(NCA - BL) \times 0.34}{366}$$

#### **Financial year beginning with 1 April 2028**

12. In the financial year beginning with 1 April 2028, the chargeable amount is reduced by zero.



## PART 5

### Revocation

**13.** The Non-Domestic Rating (Chargeable Amounts) (Wales) Regulations 2022<sup>(1)</sup> are revoked.

*Name*

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

*Date*

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<sup>(1)</sup> S.I. 2022/1350 (W. 272).