
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

2019 No. 1477 (W. 261)

**RATING AND VALUATION,
WALES**

**The Non-Domestic Rating
(Miscellaneous Provisions) (No. 2)
(Amendment) (Wales) Regulations
2019**

EXPLANATORY NOTE

(This note is not part of the Regulations)

Paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (“the 1988 Act”) provides that the rateable value of a non-domestic hereditament is taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to be let from year to year (subject to specified assumptions). In those cases where there is no available information on the general rental market and profit and loss cannot be used as an indication of rental value, the rateable value of a non-domestic hereditament is instead ascertained by decapitalising the estimated total capital value of the hereditament (this is known as “the contractor’s basis of valuation”). The decapitalisation rates are prescribed by regulations made by the Welsh Ministers under paragraph 2(8) of Schedule 6 to the 1988 Act. These rates are prescribed in regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 (as amended) (“the 1989 Regulations”).

The Welsh Ministers in making these Regulations amend, with effect from 27 January 2020, the decapitalisation rates prescribed by regulation 2 of the 1989 Regulations for non-domestic rating lists compiled on or after 1 April 2021.

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 Local Government Taxation Policy Branch, the Local Government Strategic Finance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

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WALES**

**The Non-Domestic Rating
(Miscellaneous Provisions) (No. 2)
(Amendment) (Wales) Regulations
2019**

Made 25 November 2019

Laid before the National Assembly for Wales
26 November 2019

Coming into force 27 January 2020

The Welsh Ministers make the following Regulations in exercise of the powers conferred on the Secretary of State by section 143(1) of, and paragraph 2(8) of Schedule 6 to, the Local Government Finance Act 1988(1) and now vested in them(2).

Title, commencement and application

1.—(1) The title of these Regulations is the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) (Amendment) (Wales) Regulations 2019 and they come into force on 27 January 2020.

(2) These Regulations apply in relation to Wales.

**Amendments to the Non-Domestic Rating
(Miscellaneous Provisions) (No. 2) Regulations 1989**

2.—(1) Regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations

(1) 1988 c. 41.Paragraph 2(8) of Schedule 6 was amended by paragraph 38(8) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42).

(2) The powers of the Secretary of State were transferred, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). The functions of the National Assembly for Wales were subsequently transferred to the Welsh Ministers by section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006 (c. 32).

1989(1) (valuation on the contractor's basis) is amended as follows.

(2) In paragraph (1E) omit the words "or after".

(3) After paragraph (1F) insert—

“(1G) Paragraph (2G) of this regulation applies in relation to a hereditament shown in a non-domestic rating list in Wales compiled on or after 1 April 2021, the rateable value of which is being ascertained using the contractor's basis of valuation.”

(4) After paragraph (2F) insert—

“(2G) In applying the provisions of the Act referred to in paragraph (2) of this regulation in circumstances where paragraph (1G) of this regulation applies, the appropriate rate is to be assumed to be—

- (a) in the case of a defence hereditament, an educational hereditament, a health care hereditament or a hereditament which is wholly a public convenience 1.9 per cent;
- (b) in any other case 3.5 per cent.”

Rebecca Evans

Minister for Finance and Trefnydd,
one of the Welsh Ministers
25 November 2019