# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **The third annual report by Welsh Ministers about the implementation and operation of Part 2 (Finance) of the Wales Act 2014** |
| **DATE** | **13 December 2017** |
| **BY** | **Mark Drakeford AM, Cabinet Secretary for Finance** |

The third annual report about the implementation and operation of the finance provisions in Part 2 of the Wales Act 2014 is today laid before the National Assembly.

Under section 23 of the Act, Welsh Ministers and the Secretary of State for Wales are required to report every year about the implementation and operation of the provisions under Part 2 of the Act until the first anniversary after the final provisions have been implemented.

Part 2 of the Wales Act 2014 provides for the devolution of a range of financial powers to Wales. These include enabling the National Assembly for Wales to legislate for Welsh taxes on transactions involving interests in land and disposals to landfill; to legislate for its own budgetary procedures and for the Welsh Government to borrow to fund capital expenditure and manage budgetary fluctuations arising from tax devolution.

The Act also provides for the National Assembly to set Welsh rates of income tax and enables the Welsh Government to propose and introduce new taxes, subject to approval by the National Assembly for Wales and both Houses of Parliament.

Today’s report describes the good progress made over the past year towards implementing the Wales Act financial powers, which includes the establishment of the Welsh Revenue Authority and the passage of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act and the Landfill Disposals Tax (Wales) Act.

It also highlights the fiscal framework agreement between the Welsh and UK governments, which paves the way for the introduction of Welsh rates of income tax in April 2019.

I am grateful to the many people and organisations who have contributed their time and expertise to advise the Welsh Government over the last year as we prepare for the introduction of the first Welsh taxes in almost 800 years – land transaction tax and landfill disposals tax in April.

The third annual report is available at:

<http://gov.wales/funding/fiscal-reform/tax-policy-framework/treasury-papers/wales-act-annual-reports/?lang=en>