

Table of contents

Tax titles from Claritax Books.....	iv
About the author	v
Abbreviations.....	vi
Preface	ix

1. Stamp duty

1.1 Introduction	1
1.2 The basis of the charge to stamp duty.....	1
1.3 Compliance	5
1.4 Transitional provisions	7
1.5 Why is stamp duty relevant now?	9
1.6 Electronic stamping	10

2. SDLT – general principles

2.1 Overview.....	11
2.2 The elements of the charge to SDLT.....	11
2.3 Transactions exempt from charge	14
2.4 Rates of charge.....	17
2.5 Major interest.....	20
2.6 Tax point.....	21
2.7 Linked transactions.....	25
2.8 Land and buildings transaction tax	28
2.9 Land transaction tax (Treth Trafodiadau Tir)	32

3. Residential property – rules and surcharges

3.1 Overview.....	38
3.2 Residential property – rates.....	38
3.3 What is residential property?	40
3.4 Mixed-use transactions.....	48
3.5 Higher rates of SDLT for additional dwellings.....	50
3.6 Acquisition of property through a non-natural person – 15% rate	60
3.7 Annual tax on enveloped dwellings (ATED)	66
3.8 SDLT on de-enveloping transactions.....	69
3.9 Non-UK resident purchasers – residential property surcharge	71

4.	Chargeable consideration	
4.1	Overview	79
4.2	Scope of charge	79
4.3	Uncertain, contingent and unascertained consideration.....	84
4.4	Annuities	89
4.5	Just and reasonable apportionment.....	90
4.6	Market value, exchange of interests and connected company purchaser	93
4.7	Works exemption.....	99
4.8	Prudential Assurance Co v CIR.....	100
4.9	PFI projects.....	101
5.	Leases – the basics	
5.1	Overview	103
5.2	Meaning of a lease	104
5.3	The term of a lease	105
5.4	Rates of charge.....	109
5.5	Rent.....	111
5.6	Renewable energy	112
5.7	Net present value.....	113
5.8	Variable or uncertain rent.....	114
5.9	Exclusions from scope of chargeable consideration.....	120
6.	Leases – miscellaneous	
6.1	Overview	123
6.2	Lease premiums and reverse premiums.....	123
6.3	Deposit and loan arrangements.....	124
6.4	Agreements for lease and substantial performance.....	125
6.5	Holding over.....	129
6.6	Assignment of leases	132
6.7	Lease variations.....	134
6.8	Surrender	137
6.9	Abnormal increases in rent	138
6.10	Linked transactions	138

7.	Partnerships	
7.1	Overview.....	141
7.2	Partnerships defined	141
7.3	Ordinary partnership transactions.....	143
7.4	Contribution of a chargeable interest to a partnership.....	146
7.5	Transfer of interest in property investment partnership.....	150
7.6	Transfer of interest from a partnership	155
7.7	Anti-avoidance	158
7.8	Interaction with deemed market value for connected company acquisition	161
7.9	Application of group relief	162
8.	Trusts and trustees	
8.1	Overview.....	166
8.2	Bare trusts.....	166
8.3	Trusts other than bare trusts	170
8.4	Foreign trusts	173
8.5	Personal representatives.....	173
8.6	Transactions involving pension funds	175
9.	Shared ownership schemes	
9.1	Overview.....	177
9.2	Shared ownership schemes	177
9.3	Qualifying person.....	178
9.4	Qualifying body.....	179
9.5	Right to buy	182
9.6	First-time buyer's relief and shared ownership....	183
9.7	Higher rates of SDLT for additional dwellings and staircasing	183
9.8	Lease and leaseback arrangements.....	184
10.	Reliefs – general	
10.1	Overview.....	185
10.2	Charities relief (code 20)	185
10.3	Compulsory purchase relief (code 10).....	189
10.4	Compliance with planning obligations (code 11).....	190
10.5	Alternative finance relief (code 24).....	191

10.6	Sale and leaseback relief (code 28)	194
10.7	NHS bodies relief (code 28).....	196
10.8	Incorporation of LLP (code 17).....	197
10.9	Disadvantaged areas relief.....	198
10.10	Freeports or special tax sites SDLT relief (code 36)	198
10.11	First-time buyer's relief (code 32).....	202
10.12	Multiple dwellings relief (code 33)	204
10.13	Certain acquisitions of residential property (code 8 or 9).....	211
10.14	Certain acquisitions by registered social landlords (code 23).....	217
10.15	Crown exemption (code 28).....	217
10.16	Other reliefs.....	218
11.	Reliefs – corporate	
11.1	Overview	222
11.2	Group relief.....	222
11.3	Acquisition relief.....	232
11.4	Reconstruction relief.....	236
11.5	Seeding relief	238
12.	Transactions entered into before completion of contract (sub-sale, assignment or transfer of rights)	
12.1	Overview	241
12.2	FA 2003, Sch. 2A.....	242
12.3	Anti-avoidance.....	248
12.4	Application to leases.....	251
12.5	Compliance	252
12.6	Contract providing for conveyance to a third party	253
13.	Section 75A – the SDLT anti-avoidance rule	
13.1	Overview	256
13.2	Application of FA 2003, s. 75A	257
13.3	Incidental transactions.....	262
13.4	Miscellaneous – s. 75C	263
13.5	Non-statutory clearance	264
13.6	When s. 75A applies or does not (HMRC view).....	264
13.7	Conclusion.....	268

14. Case law	
14.1 Overview.....	270
14.2 Definition of dwelling.....	270
14.3 Multiple dwellings relief	279
14.4 Avoidance schemes	282
15. Compliance	
15.1 Overview.....	292
15.2 Notifiable transactions and major interests in land	292
15.3 Exceptions from the requirement to notify.....	293
15.4 The land transaction return.....	296
15.5 Registration at the Land Registry and the SDLT5 certificate.....	306
15.6 Record keeping	307
15.7 Payment of SDLT	307
16. Penalties, enquiries and disclosure	
16.1 Overview.....	309
16.2 Fixed penalties	309
16.3 Tax-related penalties.....	310
16.4 Interest on unpaid tax.....	313
16.5 Criminal offences.....	313
16.6 HMRC enquiry and assessment powers	314
16.7 DOTAS.....	318
16.8 Follower and accelerated payment notices.....	321
Appendix – Statutory instruments.....	323
Table of primary legislation.....	325
Table of statutory instruments.....	337
Index of cases.....	339
General index.....	341
SDLT rates	377