

Stamp Duty Land Tax Working Together Steering Group
Notes of Meeting on 18 January 2016
100 Parliament Street, London SW1A 2BQ

Attendees

Paul Clark (PC) Cripps Harries Hall;	<i>HMRC:</i>
Nick Davies (ND) LR;	Geoff Yapp (GY) Chair
Jonathan Evans (JoE) BPF;	Sally Gwalchmai (SG)
Warren Gordon (WG) Law Society;	Howard Buttery (HB)
Philip Haughey (PH) VOA;	Damian McCluskey (DM)
Mark Hayward (MH) NEAA;	Patrick Lavery (PL)
Gerald Moran STPG	Pete Downing (PD)
Lakshmi Narain (LN) CIOT;	Jane Ewart (JaE)
Karen Roles (KR) VOA;	Philippa Staples (PS)
Simon Sabel (SSa) Landscape Software;	Anne Berriman (AB)
Leigh Sayliss (LS) HK;	
Maria Seale (MS) CILEX;	
John St Clair (JSC) Scottish Government;	
Elizabeth Thompson (ET) LPSL;	
Stephen Ward (SW) CLC;	
Colin Yeend (CY) VOA;	
Apologies:	Apologies:
Donal Carvel (DC) Revenue Scotland	Catherine Dampier HMRC
Laura Fox (LF) Welsh Government	

1 Minutes of 23 October 2015

The minutes of 23 October were agreed.

The APs from the October meeting were discussed:

AP1	PL will investigate whether it is possible to provide the group with numbers of returns filed for non-residential and residential property.	PL confirmed that it was possible. GY said that HMRC would look to providing the information. (AP1)
AP2	CD will investigate the payment system 'API' by discussing with the wider Digital Comms team.	CD was not present at the meeting. CD to report on the issue in time for the next WTSG. (AP2).
AP3	PL to draft a message to highlight the benefits of electronic payments and the issues surrounding paying by cheque.	This is work-in-progress. (AP3).
AP4	PL will produce a message encouraging customers/agents to enter the correct purchaser address when completing a return.	This is work-in-progress. (AP4).
AP5	WG will ensure these messages are circulated to Law Society stakeholders.	On-going (AP5).

AP6	PS asked the group to consider any other suitable events at which they might demonstrate the new ATED IT. She also asked for other ideas to reach overseas customers.	PS advised that CIOT will be hosting an event on 10 February.
AP7	CD and JaE agreed to provide a list of third party software providers to KR.	Done
AP8	CD to share WG's letter with PH by 30/10/15.	Done

2 Performance Update

PL presented a spreadsheet. The number of SDLT returns filed have increased during 2015, although there was a dip in April when LBTT was introduced in Scotland. Currently 97% of the returns are filed on-line – HMRC would like to increase this to nearer 100%. Response rates on the helpline are a concern – to address the issue HMRC are arranging further training for call centre advisers. DM will also analyse the top call volumes to understand why customers contact us - with the aim to reduce low value calls (**AP6**: DM to present findings on top call volumes at next WTSG). PL said Accounts Office Shipley (AOS) had been affected by the recent flooding. The staff are working from other HMRC buildings – an impact is that the work to allocate payments to the right reference is taking longer than usual and consequently a higher than usual number of unnecessary demands have been issued. AOS is scheduled to re-open in March 2016.

3 Devolution to Wales

LF was unable to attend. Item to be placed on agenda of the next meeting. (**AP7**).

4 Autumn Statement 2015

PD summarised the SDLT and ATED measures:

- Seeding relief: this relief from SDLT will relieve the initial transfer of properties into certain types of investment funds. Draft legislation was published in December 2015.
- Further reliefs for ATED and 15% higher rate of SDLT. It was suggested that the new reliefs on 15%, for conversions and demolitions, should be incorporated into paragraph 5. JaE will consider (**AP8**).
- Purchases of additional residential properties will attract higher rates of SDLT, although there will be some exceptions.
 - The consultation runs to 1 February 2016.
 - The charge is to be in place by 1 April 2016. So far, HMRC has held 2 stakeholder meetings.
 - WG said that guidance to explain 'main residence' should be concise. LS suggested using CGT elections as a base to decide 'main residence'. PD will consider. (**AP9**) PD said he was aware of scenarios when it would be inappropriate to charge the new rate e.g. people caught up in failed chains.
 - WG mentioned people claiming refunds – it is important that the HMRC records are updated.
 - PC referred to the case where a developer buys a large house to knock down in order to build more homes – seems unjust to charge him higher rate when he is increasing the housing stock.
- SDLT filing and payment process reform, including a reduction in the filing and payment window from 30 days to 14 days. A consultation document will be published in Spring 2016. LS questioned whether 14 days is realistic e.g. in more complex cases or deferral application. WG was also concerned, bearing in mind the amount of information on leases required by the

SDLT forms, although he acknowledged that VOA is conducting a survey on this. WG suggested some kind of incentive for complying with the 14 days.

5 JE gave an update from November SDLT Tech Forum

- The sub group is reviewing the definition of 'residential property/dwelling'. A meeting has been arranged for 9 February;
- There was an article in Estates Gazette on discounts - HMRC does not wholly agree and will update guidance to clarify the issue;
- There was discussion on de-enveloping relief - there will be a further consultation later this year on IHT charge for non-doms which will consider consequences of change including de-enveloping;
- HMRC will look at the application of Reg 28 with regards to deferral applications where there is a change in the reasons for deferral;
- HMRC to consider issue with Sch 15 para 17A (withdrawal of money etc from partnership after transfer of chargeable interest);
- Andy Bedworth will provide further information on the changes to conveyancers/agents obligations under DOTAS.

SDLT manual/guidance - WG said that some pages were out of date and suggested at least dating the pages to give the reader an idea of how reliable it is; and some new topics should have been included.

6 User research – VOA/SDLT update

KR presented slides to explain the work she had done to map the SDLT process and to identify areas for improvement. JaE agreed to circulate the slides. **(AP10)**.

HB summarised the plan to update the process and IT e.g. pre-populating the return where appropriate, providing an address picker function, issuing the LR certificate only after payment.

WG suggested having 2 forms – one to meet HMRC requirements and one to meet VOA requirements. Both WG and LS had concerns e.g. in cases of complex commercial cases where all the information is not readily to hand.

ET asked for more analysis around the tail end of transactions that pay around days 25 – 28. PD agreed to look at this. **(AP11)**.

ND said that possible privatisation of the LR is being considered. Consequently new digital projects are not currently at the top of the agenda. WG requested that the proposal not to issue SDLT5 (the SDLT certificate) until after any SDLT has been paid, should be discussed at the next SDLT WTSG meeting **(AP 12)**.

CY said that KR's work had been very useful. In connection with this, VOA needs to consider the most efficient way of collecting data.

WG asked if he could see the results of the VOA survey. A VOA rep will continue to attend the WTSG and can report on the survey when ready.

7 AOB

PC circulated a paper and asked for this to be on the agenda of the next meeting **(AP13)**.

JaE explained that a new digital calculator will be launched soon in gov.uk. HMRC looking for volunteers to test calculator prior to launch. JaE will email group with contacts details for those willing to take part in testing. (AP14))

Appendix 1

Action points from 18 January meeting

Action Points		For	Action by
AP1	PL to report on progress as regards presenting monthly returns data for both residential and non-residential property.	PL	31/3/16
AP2	CD to report on the payment system 'API' at next WTSG.	CD	31/3/16
AP3	PL to draft a message to highlight benefits of electronic payment and the issues surrounding paying by cheque.	PL	31/3/16
AP4	PL will produce a message encouraging customers/agents to enter the correct purchaser address when completing a return.	PL	31/3/16
AP5	WG will ensure these messages are circulated to the Law Society stakeholders.	WG	On-going
AP6	DM to present findings on top call volumes at next WTSG.	DM	31/3/16
AP7	Devolution to Wales – to be placed on agenda for next meeting.	Kay Heyman	31/3/16
AP8	JaE to consider where to place the new reliefs from the 15% SDLT rate.	JaE	31/3/16
AP9	PD to consider use of CGT elections for second homes charge.	PD	31/3/16
AP10	JaE to circulate KR's slides.	JaE	22/1/16
AP11	PD agreed to analyse the tail end of transactions where payment is around 25-28 days.	PD	31/3/16
AP12	The proposal not to issue SDLT5 (the SDLT certificate) until after SDLT is paid, to be placed on agenda for next SDLT WTSG meeting.	Kay Heyman	31/3/16
AP13	PC's paper 'Conveyancers are not tax experts' – to be placed on agenda for the next meeting	Kay Heyman	31/3/16
AP14	JaE will send members contact details regarding volunteering to test the new digital calculator.	JaE	31/3/16