

Stamp Duty Land Tax Working Together Steering Group
Notes of Meeting on 12 April 2016
100 Parliament Street, London SW1A 2BQ

Attendees

Andrew Campbell (AC) Clarke Willmott	<i>HMRC:</i>
Paul Clark (PC) Cripps Harries Hall	Geoff Yapp (GY) Chair
Nick Davies (ND) LR	Howard Buttery (HB)
Jonathan Evans (JoE) BPF	Sally Gwalchmai (SG)
Ion Fletcher (IF) BPF	Pat Lavery (PL)
Debra Giblin (DG) VOA	Pete Downing (PD)
Eile Gibson (EG) CIOT	Jane Ewart (JaE)
Chris Gill (CG) Land Securities	Philippa Staples (PS)
Andrew Hewitt (AH) Welsh Government	Anne Berriman (AB)
Gordon Keenay (GK) FTI Consulting	
Dianne Latter (DL) Law Society	
Gerald Moran (GM) STPG	
Julian Noti (JN) VOA	
Sean Randall (SR) KPMG	
Simon Sabel (SS) Landscape Software	
Leigh Sayliss (LS) HK	
Maria Seale (MS) CILEX	
John St Clair (JSC) Scottish Government	
Elizabeth Thompson (ET) LPSL	
Apologies:	Apologies:
Warren Gordon, Law Society	Catherine Dampier, HMRC

1 Welcome

GY opened the meeting, thanking everyone for attending and apologising for the shortage of name plates. We will have to ensure there are enough name plates at the next meeting **(AP1)**.

2 Minutes of 18 January 2016

The minutes of 18 January were agreed. The APs from the January meeting were discussed:

AP1	PL to report on progress as regards presenting monthly returns data for both residential and non-residential property.	Monthly returns data now split into residential/non-residential. Done.
AP2	CD to report on the payment system 'API' at next WTSG.	AP carried forward (AP2)
AP3	PL to draft a message to highlight benefits of electronic payment and the issues surrounding paying by cheque.	AP carried forward (AP3) .
AP4	PL will produce a message encouraging customers/agents to enter the correct purchaser address when completing a return.	AP carried forward (AP4) .

AP5	WG will ensure these messages are circulated to the Law Society stakeholders.	AP carried forward (AP5) .
AP6	DM to present findings on top call volumes at next WTSG.	See item 3. Done.
AP7	Devolution to Wales – to be placed on agenda for next meeting.	AP carried forward (AP6) .
AP8	JaE to consider where to place the new reliefs from the 15% SDLT rate.	New reliefs from 15% are now in FB16. Done.
AP9	PD to consider use of CGT elections for second homes charge.	Done.
AP10	JaE to circulate KR's slides.	Done
AP11	PD agreed to analyse the tail end of transactions where payment is around 25-28 days.	AP carried forward (AP7) .
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.	See item 5. Done.
AP13	PC's paper 'Conveyancers are not tax experts' – to be placed on agenda for the next meeting	See item 8. Done.
AP14	JaE will send members contact details regarding volunteering to test the new digital calculator.	Volunteers had been found. Done.

3 Performance Update

PL presented a spreadsheet with data covering April 2015-February 2016.

There was an increase in the percentage of returns filed on line.

There was a sudden increase in call attempts in January 2016 – this is an impact of the flooding and subsequent closure of the Shipley office. To meet the demand, the number of advisers on the helpline was increased. Calls will now be answered in Glasgow or Cardiff. Staff from Birmingham and London provided training to the new advisers. (Post-meeting note: A table has now been produced, presenting the top 20 reasons why customers call the helpline. See annex).

SS queried the types of error made in paper returns. PL said that the types of error run across the all the possibilities.

4 Devolution to Wales

AH said that the Welsh Assembly election was to be held on 5 May and, depending upon the new government's wishes, the legislation for Land Transaction Tax will be laid before the Assembly shortly.

5 Reducing the filing and payment window and issuing SDLT5

HB discussed the proposal regarding mandatory e-filing and e-payment, explaining the problems surrounding receipts of paper documents. Currently about 55,000 paper returns are submitted annually and 200,000 cheques are submitted. It appears that the proposal to couple the filing and payment process, so these tasks can be done simultaneously, is not feasible, as most agents pay via CHAPS/BACS.

SS queried whether there were any plans for HMRC to send the SDLT5 information directly to the Land Registry. ND confirmed there were no plans but the Land Registry was committed to discovery work, which may cover digital transfers.

HB said that the proposal to reduce the time limit for filing the return from 30 days to 14 days would definitely be implemented. LS said the consultation document should still invite views on whether it would cause any issues e.g making deferral applications. GM said it would help if the UTRN was generated at the moment the return is requested – rather than when it is submitted -this would enable payments to be sent to HMRC earlier.

AC was concerned about the idea for HMRC to issue the SDLT5 only after receiving payment – this could easily result in delays.

6 Additional Residential Properties – implementation

PD summarised the new additional residential properties rules effective from 1 April. Further changes to the legislation are being made to ensure that the alternative finance provisions apply as intended. (Post meeting note: Guidance has now been published – see document published 14 April: <https://www.gov.uk/government/publications/stamp-duty-land-tax-higher-rates-for-purchases-of-additional-residential-properties>).

PC said that some lawyers were not aware of the recent changes and HMRC guidance needs to be better. EG said solicitors/conveyancers have a duty to keep up to date with changes and not doing so is negligent, but agreed that information on the HMRC website should be updated as soon as possible. DL said that the increase in complexity of the legislation requiring more information from prospective buyers was causing delays in transactions. GM was concerned about the growing complexity in the legislation – it was becoming more difficult for practitioners to follow. SS suggested a forum for Q&As – there is such a forum for Making Tax Digital. GY acknowledged concerns regarding complexity but added that it was not so easy to maintain simplification, bearing in mind the political environment.

ET referred to problems with the calculator. JE said this was being investigated but it was not certain when it would be fixed.

7 Budget March 16

PD said that a summary had been issued to members of the Working Group.

8 Conveyancers are not tax experts

PC referred to a paper he had prepared. Large firms can afford tax specialists, high street firms cannot. SDLT is now very complex – and negligence claims appear to be increasing. It could well affect obtaining professional liability insurance. Most current claims involve a failure to claim multiple dwellings relief (MDR) or to provide advice on when the 15% rate applies. Another cause for concern is trying to establish whether a dwelling should be treated as one dwelling or two dwellings - if in doubt, the safe option would be to claim MDR. As regards taxpayers completing their own returns, for this to be viable, the HMRC guidance would have to be much better. LS added that better legislation was needed. GY acknowledged the need for better guidance.

DL said it would be useful if HMRC could provide speakers on SDLT changes to conferences and events. (Post meeting note: PD will be giving a talk at the Law Society property conference in October).

9 AOB

- JN and DG announced that they would be attending the meetings as the representatives for VOA.
- ND said a consultation regarding the LR would be open until 26 May: [Land Registry: moving operations to the private sector - Consultations - GOV.UK](#)
- ND requested a contact on the SDLT team to deal with queries regarding SDLT5 delays. JaE will look into this (**AP8**).
- AC said the news regarding granny flat rebates should be advertised in press release etc. JaE to check arrangements for advertising the new measure (**AP9**).
- SG said her team was putting in place an action plan to update the guidance and requested views on what are the priority areas.

Action points from 12 April meeting

Action Points		For	Action by
AP1	Ensure there are enough name plates at the next meeting.	Kay Heyman	31 May
AP2	AB to look into payment APIs	AB	31 May
AP3	PL to draft a message to highlight benefits of electronic payment	PL	31 May
AP4	PL to draft a message encouraging customers/agents to enter the correct purchaser address when completing a return.	PL	31 May
AP5	WG will ensure these messages are circulated to the Law Society stakeholders.	WG	31 May
AP6	Devolution to Wales – to be placed on agenda for next meeting.	Kay Heyman	31 May
AP7	PD to analyse the tail end of transactions where payment is around 25-28 days.	PD	31 May
AP8	JaE to find a SDLT contact to deal with LR queries in relation to SDLT5 delays	JaE	31 May
AP9	JaE to check arrangements for advertising the granny flat change and rebates	JaE	31 May

Annex

Top twenty reasons why customers call the helpline: 2015-16

Reason	Number of calls
Financial Queries Why have I received a bill/demand for payment?	18,013
Financial Queries Have you received my payment?	13,832
About SDLT returns already submitted I want to change Q... is amendable	10,904
About SDLT returns already submitted I want to change Q... is not amendable	4,639
Completing an SDLT return Can you help me complete SDLT forms - online?	4,262
About SDLT calculations How much would the tax be if...?	3,586
ATED calls Other ATED call not listed	3,426
Other calls I haven't had a reply to my letter?	3,383
Financial Queries I sent the payment to the wrong account/against wrong UTRN/no UTRN, what do I do?	2,738
About SDLT returns already submitted SDLT8 response	2,676
Stamp Duty Where is my stamped stock transfer form?	2,372
Stamp Duty Other SD	2,361
Other calls Other call not covered elsewhere	2,080
Financial Queries Why have I been charged a penalty/interest?	2,009
Call ended because Failed security	1,967
Financial Queries Other financial query	1,960
Stamp Duty Do I need to pay SD/ How do I pay SD?	1,912
Call ended because Caller needed another HMRC department	1,831
About SDLT calculations Other calculation and relief queries	1,801
SDLT 5 I have not received SDLT5	1,666