

**Stamp Duty Land Tax Working Together Steering Group**  
**Notes of Meeting on 13 July 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                             | Damian McCluskey (DM)               |
| Jonathan Evans (JoE) BPF                        | Sally Gwalchmai (SG)                |
| Ion Fletcher (IF) BPF                           | Kofi Ofe-Boakye (KB)                |
| Gordon Keenay (GK) FTI Consulting               | Pete Downing (PD)                   |
| Gerald Moran (GM) STPG                          | Jane Ewart (JaE)                    |
| Julian Noti (JN) VOA                            |                                     |
| Sarah Sawyer (SS) VOA                           |                                     |
| Simon Sabel (SS) Landscape Software             |                                     |
| Maria Seale (MS) CILEX                          |                                     |
| Isobel d'Inverno (II) Brodies                   |                                     |
| Marc Selby (MS) Laytons                         |                                     |
| Lakshmi Narain (LS) Tower Bridge Practice       |                                     |
| Adrian Dixon (AD) Stamp Taxes Development Group |                                     |
| Jenny Ladbury (JL)                              |                                     |
| Andrew Hewitt (AH)                              |                                     |
| Thom Wilkinson (TW)                             |                                     |
| Martin Davidson (MD)                            |                                     |
| Craig Leslie (CL)                               |                                     |
| <b>Apologies:</b>                               | <b>Apologies:</b>                   |
| Warren Gordon,(WG) Law Society                  | Catherine Dampier, HMRC             |
| Debra Giblin (DG) VOA                           | Andrew Hewitt (AH) Welsh Government |

**1 Welcome**

GY opened the meeting, thanking everyone for attending and announced that this would be his final WTSG as he would be retiring at the end of the month.

**2 Minutes of 12 April 2016**

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

|     |                                                                                                                     |                                                                              |
|-----|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| AP1 | Ensure there are enough name plates at the next meeting                                                             | Additional name plates prepared. AP closed.                                  |
| AP2 | AB to look into payment APIs                                                                                        | Done - PD gave a brief description of 'World pay' services and functionality |
| AP3 | PL to draft a message to highlight benefits of electronic payment                                                   | Done – shared in advance of meeting.                                         |
| AP4 | PL to draft a message encouraging customers/agents to enter the correct purchaser address when completing a return. | Done – shared in advance of meeting.                                         |
| AP5 | WG will ensure these messages are circulated to the Law Society stakeholders.                                       | AP carried forward (AP1)                                                     |

|     |                                                                                |                                                                                                                                                     |
|-----|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| AP6 | Devolution to Wales – to be placed on agenda for next meeting.                 | Done – JaE provided update later in meeting.                                                                                                        |
| AP7 | PD to analyse the tail end of transactions where payment is around 25-28 days  |                                                                                                                                                     |
| AP8 | JaE to find a SDLT contact to deal with LR queries in relation to SDLT5 delays | HMRC and LR resolved issue following meeting.                                                                                                       |
| AP9 | JaE to check arrangements for advertising the granny flat change and rebates   | Done – Guidance notes to be updated once change receives royal assent. In the interim agents should file as usual and reclaim SDLT where necessary. |

### 3 Performance Update

DM presented a spreadsheet with data covering April 2016-June 2016.

Percentage of e filing and payment remained fairly static at 97% and 72% respectively.

DM re-iterated that 'e' filing and payment was the most cost effective and preferred method of delivery, paper filing and cheque payment are associated with a high error rate which introduces admin burden and delay for both HMRC and its customer.

The Contact Centre has received additional resource enabling calls to be answered within one minute (compared to 5 minutes in April). The 'additional homes' call type continues to be the number one reason why SDLT customer base makes contact.

DM asked the audience if they were currently experiencing any problems when contacting HMRC in terms of response times for letters and/or phone calls, no issues or concerns were raised.

SG provided an update technical post. The technical post volumes had increased considerably since the introduction of the higher rates for additional homes on 1 April, additional resource had been recruited onto the team, doubling in size from 3 to 6 officers. There are currently 1221 items of post to be worked, of which 70% related to the additional homes.

SG confirmed targeted guidance will be issued in the near future focussing on topics receiving the most queries. Additionally, a Q&A document will be published shortly.

### 4 Devolution to Wales

Welsh Government representatives were unable to attend the meeting. JaE provided an update confirming that HMRC continue to work closely with Welsh Government colleagues on the IT change, communications and business change needed to transition from SDLT to LTT in Wales in April 2018. It was confirmed that HMRC will not administer LTT for Welsh Government. AP2 – JaE to share notes from Andrew Hewitt (WG) with WTSG.

### 5 VOA Work on SDLT4

SS gave an overview of the project VOA were hoping to kick-start in the very near future looking at the data collected on the SDLT4. Discovery work on-going, this will help the team understand and explore options for change/improvement. SS confirmed that she hoped to be in a position at the next WTSG to confirm options and seek opinions from the group.

### 6 De-enveloping

The group asked for an update on de-enveloping. PD informed the group that the consultation document on the taxation of non-doms would be issued shortly and would cover this issue. (This was issued on 19 August and is available on gov.uk at:

<https://www.gov.uk/government/consultations/reforms-to-the-taxation-of-non-domiciles-further-consultation/reforms-to-the-taxation-of-non-domiciles-further-consultation>.

PD also informed the group that the policy team had started a review of section 75A and are likely to wish to consult with the group on this.

## AOB

### Higher rates for additional residential properties

- PC asked whether HMRC has considered the issue he raised about whether an undivided share in property is a major interest for the purposes of SDLT. This was an issue that had been raised previously, with GM last contacting with Nick John about it in 2010. PD will consider the matter further and report back to group in due course.
- AC noted that extending a lease, even on a main residence, would be liable to the higher rates if any other residential property owned. JaE confirmed that the higher rates can apply to lease extensions.
- MS raised a concern around the parent/child scenario and higher rates, which can be triggered where, in order for an adult child to obtain a mortgage offer, a parent needs to join with the child in purchasing the property. In such a scenario the higher rates will apply. One possible solution to this would be for a trust to be set up with the child being the sole beneficiary of the trust and the parents acting as nominees only. PD confirmed that HMRC would accept that in such an arrangement the child would be treated as the owner of the property and property owned by the parents would not be taken into account.

## Other

GM has raised an issue regarding the treatment of certain payments made with regard to long leases on sheltered accommodation. In many cases tenants pay reduced, or no, service charges during their period of occupation with the payments being rolled up and paid to the landlord when the flat is sold, the payment normally being a percentage of the sale price. JaE will look into this.

JL asked whether the online SDLT calculators were now working to requirements. JaE confirmed work was still ongoing but would keep the group informed with progress.

### Action points from 13 July meeting

| Action Points |                                                                                                            | For | Action by   |
|---------------|------------------------------------------------------------------------------------------------------------|-----|-------------|
| AP1           | WG will ensure these messages are circulated to the Law Society stakeholders                               | WG  | 2 Sept 2016 |
| AP2           | SG to ensure guidance and Q&A refreshed/updated to improve support relating to 3% Additional Home' queries | SG  | 2 Sept 2016 |

|            |                                                                                                      |     |                 |
|------------|------------------------------------------------------------------------------------------------------|-----|-----------------|
| <b>AP3</b> | JaE to share update notes from Welsh Government with WTSG                                            | JaE | 12 Aug<br>2016  |
| <b>AP4</b> | JaE to look into query from GM regarding payments made in relation to sheltered accommodation leases | JeE | Next<br>meeting |