

Stamp Duty Land Tax Working Together Steering Group
Notes of Meeting on 10 October 2016
Right Auditorium, Horse Guards Entrance, Westminster, London.

Attendees

Andrew Campbell (AC) Clarke Willmott	<i>HMRC:</i>
Craig Leslie (CL)	Pete Downing (PD) Chair
Nick Davies (ND) LR	Damian McCluskey (DM)
Jonathan Evans (JoE) BPF	Sally Gwalchmai (SG)
Leigh Sayliss (LS)	Jane Ewart (JaE)
Gordon Keenay (GK) FTI Consulting	Howard Buttery (HB)
Gerald Moran (GM) STPG	Philippa Staples (PS)
Avril Campbell (AvC)	Kathryn Waller (HMT)
Sarah Sawyer (SS) VOA	Adam Jarrold (HMT)
Warren Gordon,(WG) Law Society	David McDowell (DMc)
Andrew Hewitt (AH) Welsh Government	
Marc Selby (MS) Laytons/CIOT	
Apologies:	Apologies:
Simon Sabel Landscape Software	Morris Graham, HMRC
Lakshmi Narain Tower Bridge Practice	
Sean Randall KPMG	

1 Welcome

PD opened the meeting, thanking everyone for attending.

2 Minutes and Action Points from 13 July 2016 meeting.

The minutes of July's WTSG were agreed and the APs were discussed:

Action Points		For	Action by	Action Complete?
AP1	WG will ensure these messages are circulated to the Law Society stakeholders.	WG	02/09/16	Done
AP2	SG to ensure guidance and Q&A refreshed/updated to improve support relating to 3% Additional Home' queries.	SG	02/09/16	Ongoing – AP carried forward.
AP3	JaE to share update notes from Welsh Government with WTSG.	JaE	12/08/16	Done
AP4	JaE to look into query from GM regarding payments made in relation to sheltered accommodation leases.	JeE	10/10/16	Done

3 Performance Update

Operational Update

DM presented a spreadsheet with data covering 15/16 and 16/17 to August 2016. Percentage of e filing and payment continues to creep up, August 16 delivering 98% and 74% respectively.

AP1 – DM to share data by email

DM shared volume and value data relating to SDLT refunds. In the first 6 months of 16/17 there were 3987 refunds processed (total in 15/16 2681) with a value of £90m (total value 15/16 £26m). The sharp increase reflected the 'Additional Homes' and 'Multiple Dwelling Relief' claims.

DM shared a paper advising of 1) the preferred postal address for cheque payments, 2) improving accuracy of payments (by not prefixing 'UTRN' before 11 character reference number), 3) advised of a new SDLT postal address from October 16 (gov.uk will be updated to reflect new address) and finally 4) confirmed the first SDLT 'tweet' via Twitter.

The group then discussed communications and the best/preferred method of cascading and receiving communications. Since the transition to gov.uk 'latest news' messages were no longer issued. PD acknowledged this and said we would explore issuing messages via the online filing portal and possibly using the SDLT5 e certificate as a vehicle to deliver messages.

AP2 PD to work with DM to explore opportunities to improve communications/latest news messages.

Technical Team

SG provided an update. The team are now working as BAU, this is answering 80% of post within 28 days, having cleared a back log of post generated from a rise in queries around additional homes.

Half the post received relates to additional homes.

Queries are largely from individuals who don't believe that they should be caught by the new legislation.

As the backlog has now been cleared the team can now move resources into other priority areas such as updating guidance.

AP3 – Work will continue to look at updating guidance and Q&A to support 'Additional Homes' enquiries.

LS questioned the reduction in the filing and payment window scorecard saving as published in the OBR document, PD said he would locate the relevant paper/data to support the scorecard figure and share at next meeting.

AP4 -PD to liaise with KAI colleagues and confirm scorecard savings calculation

4 Higher Rate on Additional Properties

JaE asked group to raise/share any technical/policy points in relation to the legislation.

DMc offered to form a sub group to look at guidance and how best to respond to customers. The group welcomed this opportunity, DMc confirmed he would set up a meeting and issue an agenda in due course.

AP5 DMc to set up sub group and arrange initial meeting.

5 VOA Work on SDLT4

SS provided an update on their investigation of how SDLT4 data are used within VOA

SS explained the options that they were looking into.

Initial investigations had found that data is used in a number of different ways and therefore requirements varied.

A wider project has been recommended to investigate the most efficient way to collect the lease data used by the agency, which will include SDLT4 data

SS agreed to provide details of this wider projects timescales once they have been agreed

- Issues were raised by the group around the ability to provide lease data within the 14 data filing and payment window and asked about what the VOA/HMRC view would be if it was not provided within timescales
- A question was raised about separating the SDLT4 form
- AP6 – SS agreed to provide lines to the group on the links between the VOA sponsored (Karen Roles lead) project and the current proposed project are linked

6 SDLT Consultation Document

JaE gave a brief update on the volume of responses received following the issue of the SDLT consultation which came to an end on 7 October 2016. Approximately 70 responses had been received. These responses will be analysed over the coming weeks.

7 DX Post

Currently SDLT post is received into Birmingham via Royal Mail and DX courier. HB asked the group to share their thoughts on the continued use of DX and whether withdrawing the service would have any detrimental impact on the customer service they currently receive. DM confirmed that the operational teams reply via Royal Mail even where inbound mail is received via DX. HB asked the group to consider the use and practical effects of withdrawing DX and share feedback at the next WTSG.

AP7 – Latest news on use of DX to be shared at next meeting.

8 Devolution to Wales

AH gave an update/latest news on SDLT devolution to Wales.

The Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill was introduced into the National Assembly for Wales on 12 September 2016. It is now progressing through Stage 1 which is the evidence gathering stage. The Finance Committee will gather evidence and publish its report in December prior to Stage 2 (the amending stage) commencing. It is anticipated that the Bill will receive Royal Assent in April/May 2017.

The main differences between LTT and SDLT are:

- The anti-avoidance measures, both the GAAR and the single overarching relief TAAR,
- The absence of the 15% rate for non-natural persons acquiring residential property,
- There will be late payment penalties for LTT,
- There is no tax on the rent element of residential leases,
- There are no demutualisation reliefs,
- There will be a 30 day filing period for LTT returns when it launches as the Cabinet Secretary for Finance and Local Government is keen for the re to be a smooth transition from SDLT to LTT and therefore the SDLT proposed changes will not be adopted in Wales. There is the ability for the dates to be changed by regulations later if necessary.
- Some of the legislation that uses lists (for example the Alternative Finance Investment Bonds has adopted different references (using numbers instead of letters) to enable common reference between the English and Welsh versions of the Bill as the Welsh alphabet differs from the English beyond 'c'.
- The Cabinet Secretary, will shortly be publishing a statement in relation to the higher rates for additional residential properties having conducted a technical consultation over the summer. “

AOB

MS – Queried whether a voluntary SDLT return is accepted as a return. September edition of ‘Tax Adviser’ quoted HMRC as recognising/treating a voluntary return as a return – however, this was for the Self-Assessment tax regime and not specific to SDLT. It was recognised that SA issues ‘Notice to File’. PD responded to say we/HMRC would probably treat as a return if it was for a non-notifiable transaction however he would look investigate further and offer clarity at the next meeting.

AP8 – PD to confirm how a voluntary SDLT return is treated.

GK – Disclosure of tax avoidance schemes (DOTAS), GK wished to raise awareness of such schemes and those promoting rules for SDLT which appear to be ‘lighter touch’ compared to Personal Tax, as such was SDLT high risk? GK raised awareness at recent forum, PD said he would also raise awareness of such schemes.

AC – Asked about the work on meaning/interpretation of dwellings. JaE confirmed that work on this issue had stalled but the team would be picking it up again.

Action points from 10 October 2016 meeting

Action Points		For	Action by
AP1	DM to share SDLT data to Aug 16 via email	DM	11/10/16
AP2	PD/DM to explore opportunities around how to share important messages with external customers and stakeholders	DM	Ongoing/Next WTSG
AP3	SG to ensure guidance and Q&A refreshed/updated to improve support relating to 3% Additional Home’ queries	SG	Ongoing/Next WTSG
AP4	PD to confirm 30-14 days scorecard savings	PD	Next WTSG
AP5	DMc to set up Additional Homes sub group and subsequent meetings	DMc	
AP6	SS to share thoughts on how Karen Roles End to End Conveyancing project links to current VOA project	SS	Next WTSG
AP7	DX – explore possibility of removing DX courier service – share latest thoughts at next meeting.	HB	Next WTSG
AP8	How does SDLT regime treat voluntary returns?	PD	Next WTSG