

**Stamp Duty Land Tax Working Together Steering Group**  
**Notes of Meeting on 12 January 2017**  
**Rm 2/58, 100 Parliament Street, London SW1A 2BQ**

**Attendees**

Andrew Campbell (AC) Clarke Willmott	<i>HMRC:</i>
Richard Clarke (RC) Welsh Government	Morris Graham (MG) Chair
Nick Davies (ND) Land Registry	Howard Buttery (HB)
Debra Giblin (DG) VOA	Damian McCluskey (DM)
Gordon Keenay (GK) FTI Consulting	Sally Gwalchmai (SG)
Dianne Latter (DL) Law Society	Pete Downing (PD)
Craig Leslie (CL) EY; STPG	Jane Ewart (JaE)
Gerald Moran (GM) Hunters; STPG	Philippa Staples (PS)
Nigel Popplewell (NP) Burges Salmon	David McDowell (DMcD)
Toby Price (TP) Deloitte LLP	Anne Berriman (AB)
Sean Randall (SR) KPMG	
Simon Sabel (SS) Landscape Software	
Leigh Sayliss (LS) Howard Kennedy	
Maria Seale (M Seale) CILEX	
Marc Selby (MS) Laytons/CIOT	
Stephen Ward (SW) Council for Licensed Conveyancers	
<b>Apologies:</b>	
Jonathan Evans BPF	
Warren Gordon Law Society	
Jenny Ladbury Nabarro	
Kate Willis CIOT	

**1 Welcome**

MG introduced himself, as deputy director of stamp taxes policy, having taken over from Geoff Yapp in 2016.

**2 Minutes and action points of last meeting**

The APs from the meeting held 10 October 2016 were discussed:

<b>Action Points</b>		<b>For</b>	<b>Action by</b>
AP1	DM to share SDLT data to Aug 16.	DM	Done
AP2	PD/DM to explore opportunities regarding sharing important messages with external customers and stakeholders.	DM	On-going <b>AP1</b>
AP3	SG to ensure guidance and Q&A refreshed/updated to improve support relating to '3% additional home' queries	SG	Done
AP4	PD to confirm 30-14 days scorecard savings	PD	Done
AP5	DMcD to set up 'additional homes' sub group and subsequent meetings.	DMcD	On-going <b>AP2</b>

AP6	SS to share thoughts on how Karen Roles end to end conveyancing project links to current VOA project.	SS	SS to circulate result of his work. <b>AP3</b>
AP7	DX- explore possibility of removing DX courier service – share latest thoughts at next meeting.	HB	On-going. <b>AP4</b>
AP8	How does SDLT regime treat voluntary returns?	PD	JE to update guidance re voluntary returns. <b>AP5</b>

Regarding AP8 from the 10 October meeting, PD confirmed that HMRC will accept voluntary SDLT returns.

### 3 Performance Update

DM provided statistics.

Additional homes refund claims from April 16 - December 2016 were 5707. The upward trend continues and it's still too early to understand what 'business as usual' figures will look like.

As at 3 January 2017, 1567 claims were awaiting processing, 374 of which were outside of our internal 5 day KPI target.

An additional 12 clerical staff were recruited in November 2016 to support the increase in demand; a further 8 clerical staff will be joining in February 2017.

SDLT (non-additional homes) refund claims received for the year to date – 3076. Multiple dwellings relief (MDR) claims within this total, doubled for the months of November 2016 and December 2016 (120 claims in each of those months).

Online filing remains constant at 98%.

Payment methods are shifting from cheque to CHAPS/BACS. Electronic payment has risen to a cumulative 73.7% for the financial year 16/17 (70% in 15/16).

Regarding queries relating to additional homes, SG said there were currently about 400 per month and the BSO has a 28 day target for dealing with them. There were also 15-20 clearance requests per month.

SS asked whether there would be a FAQ site in relation to higher rates for additional homes.

SG said that the guidance recently published was based on the typical queries that HMRC receives.

MS was concerned about use of emails for communications between HMRC and customers.

PD said that HMRC does not encourage use of email. For instance, the new personal/business tax accounts have inbuilt secure messaging systems.

### 4 Higher rate on additional properties

DMcD said the main issues under were undivided share v major interest; lease extension, family breakup; spousal connection, and decease of purchaser Court of Protection related purchases. DMcD hopes to send advice to Ministers in due course.

The follow up meeting scheduled for 13 January was cancelled – as there was nothing further to report/discuss at this time.

There has been a significant reduction in calls to the helpline thanks to the publication of new guidance. In one month, there were 1400 fewer calls. DMcD thanked externals for their help in getting the new guidance ready for publication and for helping publicise its appearance.

## **5 VOA work on SDLT4 –update**

DG discussed the Non-Domestic Rental Data Project. As well as SDLT4, the project will explore the other 3<sup>rd</sup> party rental data sources and review rental data requirements across the agency in order to establish whether there are alternative sources that provide better triggers for rental data collection; the valuation impacts of reducing rental data collection; alternate means to target rental data collection. It was formally approved as a project in December 2016 and resource is being allocated.

Scope/key objectives are

- To clearly identify requirements for non-domestic rental data in VOA;
- To deliver cost savings to VOA in the near term through improving targeting of requests for non-domestic rental data;
- To deliver cost savings to VOA in the near term through more efficient use of 3<sup>rd</sup> party data for prompting requests for non-domestic rental data;
- Consider long-term policy development options for delivering the non-domestic rental data that VOA needs

First findings will be May 2017

Recommendations regarding SDLT 4 will be presented early 2018

The findings will be brought to future WTSG meetings.

GK referred to the plan to reduce the SDLT filing and payment window to 14 days during the last quarter of 2017-18 and the burdens of having to complete the SDLT4 within the new time limit. GK pointed out that the VOA timetable for presenting findings in early 2018 does not align with the proposed commencement of the 14 day time limit.

MS pointed out that the VOA project is focusing on non-residential rental data, but residential rental data should also be reviewed.

GM said that the 14 day time limit should apply solely to tax relevant data.

SS asked whether there are any plans in relation to better HMRC/LR interaction. ND said that the LR certainly view such improvements as a sensible path.

## **6 Devolution to Wales**

RC advised that work is on schedule for the April 2018 devolution of SDLT to Wales. There was a consultation on the proposed higher rate for additional homes in Wales. I

Applications for non-executive posts are open until 4 February.

NP was concerned about applying the right tax as regards property near the England/Wales border.

PD said work is being done to ensure the correct tax is applied.

AC queried deferment applications submitted before the switch over.

RC will refer the query back to the Wales.

## **7 De-enveloping residential property**

PD reminded the group that the Government had decided against a de-enveloping relief and had communicated that as part of the Inheritance Tax consultation exercise.

PD had revisited the CIOT paper setting out examples of situations involving unwinding corporate holding structures with debt against the property. The Stamps policy team was going to do some work to see if HMRC had definitive answers to the examples or, if not, what factors would influence HMRC's approach.

MS said from 6 April 2017, there was a 2 year transitional window regarding property in corporate envelopes. PD noted this.

## 8 AOB

- PD said that the Supreme Court has accepted HMRC's application to appeal on Project Blue.
- DM had a request from Jenny Ladbury to raise the issue of out of date guidance. SG said that BSO is updating guidance on a priority basis but acknowledged the concern and advised she was looking into allocating resources for the task. GM said that clarification is required on property subject to debt. LS said that pages should be dated. MG said the issue on dating pages is across the Department.
- MS asked whether the SDLT WTSG meeting is subject to the Chatham House rules. PD confirmed that they were not.
- MG explained the structural changes within HMRC. From 1 October 2016, there were 3 groups:
  - CSTD (this would include policy and technical teams);
  - Customer Compliance;
  - Customer Services.

However, there would be no change to the outward facing picture of stamps.

- PS said that ATED Digital would go live on 17 January. Registrations can be made from 20 January. CIOT will host an event on 2 February.

### Action points from 12 January 2017 meeting

Action Points		For	Action by
AP1	Explore opportunities regarding sharing important messages with external customers and stakeholders.	PD/DM	31/3/2017
AP2	Set up 'additional homes' sub group and subsequent meetings.	DMcD	31/3/2017
AP3	Share thoughts on how Karen Roles end to end conveyancing project links to current VOA project.	SS	31/3/2017
AP4	Share thoughts on possibility of removing DX courier service.	HB	31/3/2017
AP5	Update guidance on voluntary returns.	JE	Ongoing