

Stamp Duty Land Tax Working Together Steering Group
Notes of Meeting on September 4th 2017

Attendees	Attendees (HMRC)
Ion Fletcher – British Property Federation	Morris Graham – Chair
Andrew Hewitt – Welsh Government	Peter Downing
Gordon Keenay – FTI Consulting	Jane Ewart
Diane Latter – Law Society	Philippa Staples
Craig Leslie – Ernst & Young & STPG	Stephen Roberts
Gerald Moran – Stamp Taxes Practitioners Group (STPG)	David McDowell
Lakshmi Narain – CIOT	Anne Berriman
Sean Randall – KPMG LLP	Catherine Dampier
Leigh Sayliss – Stamp Taxes Practitioners Group (STPG)	Anjula Thiru
Stephen Ward – Council for Licensed Conveyors (CLC)	Umara Mahmood – note taker
Warren Gordon – Law Society	
Simon Sabel – Stamp Taxes Developers Group	
Nick Davies – HM Land Registry	
Toby Price -	
David Matthews	
Dawn Bunyan – Valuation Office Agency (VOA)	
Kate Willis - CIOT	
Duncan Booth	
Simon Garrod	
Ben Eaton	

Apologies
Andrew Campbell – Clarke Willmott LLP
Isobel d’Inverno – Law Society (Scotland)
Julian Noti – Valuation Office Agency (VOA)

Agenda Item 1: Welcome

Morris introduced himself as Deputy Director of Stamps.

Agenda Item 2: Minutes and action points of last meeting

- **Explore opportunities regarding sharing important messages with external customers and stakeholders**
This work is going. HMRC are exploring whether they can add important messages to the SDLT5 and the landing page on the online return.
- **Set up HRAD sub group and subsequent meetings.**
Action point 1:
David to set up meeting of HRAD sub-group

[Update - A meeting has been set up for 29 September at CIOT.]

- **Share thoughts on how Karen Roles end to end conveyancing project links to current VOA project.**

Will be covered in agenda items.

- **Share thoughts on possibility of removing DX courier service.**

HMRC advised the DX contract will expire at the end of March and at the moment there are no plans to renew it. The DX address is no longer on emails or letter heads, but DX is still in use until the end of March. One of the main reasons for not renewing the contracts is its cost. We are now using Royal Mail. At the moment we receive 60% of post to CCH and then send it on to the correct offices. We hope to reduce this, there is a central address that we would like everyone to use more frequently.

Action point 2:

HMRC to specifically have a look at the delivery of documents to 9th floor stamps, to ensure the post is delivered to the correct team/person. To also update everyone on the delivery/receipt of scanned documents.

- **Update guidance on voluntary returns.**

It is still work in progress and part of the process of updating the manual.

Agenda Item 3: Performance update

HMRC has undergone some reorganisation recently. HMRC are happy to share performance updates. There is good performance and the speed to answer phone calls at 3 minutes, which is faster than the required 5 minutes set by HMRC. It also an improvement on the last 6 months, in January the speed was 6 minutes and by March it was down to 3 minutes.

HMRC have found that it wasn't necessary to make electronic filing and payment mandatory. Electronic filing is around 97-98% and the current stats on electronic payments are 41% for this year and 81% last year. From an IT point of view mandating isn't cost effective. Processing refunds is an area of challenge and HMRC are looking to improve the process. At the moment we get about 600 claims per week and there is an increase of 7/8% per month.

HMRC have done analysis work on payment and repayment claims, and found that there isn't a curve in the repayment claims, more a straight line. HMRC are using substantial resources on repayments alone. We aim to deal with tech queries within 28 days but at the moment they take up to 39 days. Most queries were to do with second homes. Internal informal research found 95% of tech queries could be answered via the guidance. HMRC are carrying out a lot of work on triaging post and expanding the technical team who answer technical queries. Deferral is being looked at alongside the reduction in the filing and payment window.

Action point 3:

Diane to update David on the implications of late response of tech queries.

Agenda item 4: SDLT Payment window – budget 17 announcement

The spring budget announcement pushed back the filing window 14 days from 2018/2019. We are conducting a review on the questions that we ask on leases – this is being taken forward by VOA and HMRC. They will continue to keep the Steering group updated over the next year.

Agenda item 5: VOA work on SDLT 4 – update:

Deborah Giblin attended the January WTSG meeting and discussed VOA's non-domestic data

project, looking at the data requirements across VOA: including SDLT 4 data and 3rd party data sources. VOA are looking to streamline data collection and the most efficient way to collect what is required. The project began in January and is currently focusing on the SDLT 4 data and questions that can be removed. VOA deal with a number of different business teams so need to ensure that they do not remove a question that is important to one of the teams. VOA will report the outcome in early 2018.

A key issue that the stakeholders face is that they have to provide huge amounts of information that have nothing to do with tax. Gerald also referred to the schedules. HMRC wishes to get a better understanding of the issues faced by stakeholders in completing the SDLT4

Action point 4:

Jane to set up a meeting with stakeholders to understand the issues they face. Ideally to have this meeting straight after the HRAD meeting.

Agenda Item 6: Welsh Devolution

Andrew Hewitt & Dave Matthews

The Welsh Revenue Authority (WRA) will administer Land Transaction Tax (LTT), which will replace SDLT in Wales from 1st April 2018. The Land Transaction Tax and Anti - avoidance Bill was passed by the Welsh Assembly in May. The Welsh Government have taken a similar approach to that taken for LBTT in Scotland but there are some differences in approach such as the higher rates. The rates and bands for LTT are to be announced after the Welsh budget in October. HMRC and WRA will be publishing joint guidance setting out the rules around the transition between SDLT & LTT, as for Scottish devolution, and are drawing up specific joint guidance re: cross-border transactions. Welsh Government is currently drafting guidance for LTT and is looking for volunteers to review.

Action point 5:

Catherine to circulate details of Welsh Government colleague for volunteers to contact if they are willing to review draft LTT guidance and/ or draft joint transitional and cross-border guidance.

The LTT returns are in the early stage of testing and an electronic version is being developed. API's will be made available to third party software developers in early 2018. WRA hope to start the registration process and get people on board early next year in advance of LTT going live on 1st April.

Agenda Item 7: Changes to conveyancing process for devolution to Wales

WRA & HMRC colleagues are working with VOA & Land Registry on the implications of devolution and specifically cross border transactions. Cross border transactions are not expected to exceed 30/40 per year.

Multiple property transactions will be business as usual, there will be a slight difference in the form for the English part of the transaction, as a new dummy Local Authority code will need to be entered. For both cross border and multiple property transactions with part in Wales, the dummy LA code will, flag up to HMRC that consideration has been apportioned. Returns data will be shared with WRA where necessary to ensure a joined-up approach to these cases.

Agenda Item 8: ATED

Philippa gave an update on ATED digital.

Action points 6:

Philippa – will welcome any ideas or help with the campaign to encourage online filing.

Agenda Item 9: Higher rates SDLT- impact on conveyancing transaction

A problem is that advisers need to obtain a vast amount of personal information at outset of process. The Competition Market Authority (CMA) requires the Law Society to give the consumer as much information upfront even before they buy a property. The second driver from the government is making the process simpler and a smoother system.

Action points 7:

Diane to summarise the findings of the survey higher rate SDLT and forward to Morris.

Agenda Item 10: Bare trust meeting

A meeting was held to collect information on the nature of the issue, which was very useful. HMRC now have sufficient information and will not be asking for anything further.

Any Other Business:

Gerald mentioned that where a client had deferred payment of SDLT some members were being asked by HMRC to provide schedules of deferrals/overages.

Action point 8:

Morris will look into issue regarding request by HMRC to agents for schedules of deferrals.

Action points:

1. David to set up meeting of HRAD sub-group – done
2. HMRC to specifically have a look at the delivery of documents to 9th floor stamps, ensure the post is delivered to the correct team/person. To also update everyone on the delivery/receipt of scanned documents.
3. Diane to update David on the implications of late response of tech queries.
4. Jane to set up a meeting with stakeholders to understand the issues they face. Ideally to have this meeting straight after the HRAD meeting.
5. Catherine to circulate details of Welsh Government colleague for volunteers to contact if they are willing to review draft LTT guidance and/ or draft joint transitional and cross-border guidance.
6. Philippa – will welcome any ideas or help with the campaign.
7. Diane to summarise the findings of the survey on higher rates SDLT and forward to Morris.
8. Morris will look into issue regarding request by HMRC to agents for schedules of deferrals.

Umara Mahmood
HMRC

