Guide for completing form SDLT4

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Introduction

You complete an SDLT4 for the situations listed below and only if you are completing a paper form. If you are filing online the questions you need to answer are generated automatically. For some of the questions you should follow the separate guidance for the similar questions in the SDLT1.

You must complete form SDLT4 if any one of the following applies:

- the purchaser is a company
- you entered code 2 (mixed use property) or code 3 (non-residential property) at question 1 of the SDLT1 return
- you entered code 01 at question 1 and used 'A' or 'L' at question 2 and you stated at question 26 that there is more than one property
- the sale of a business
- any part of the consideration other than rent is contingent or uncertain
- the terms of the transaction include minerals or mineral rights
- you have applied to HM Revenue & Customs for either a post-transaction ruling in accordance with CAP1 or for advice on the application of the law to this transaction
- a deferment application' has been made

Supplementary form SDLT 4 is in two sections, ‘About the Transaction - questions 1 to 7’ and ‘About Leases - questions 8 to 37’.
About the transaction (SDLT4)

**Question 1 - If this transaction is part of the sale of business, what does it include?**

**First part**
Indicate assets that are not chargeable to SDLT by selecting the appropriate categories.

**Second part**
Enter the total amount of consideration apportioned to the non-chargeable assets.

You can read more about non-chargeable assets in the SDLT manual.

[SDLT manual – SDLTM62780 – What does the sale include?](#)

**Question 2 - If the property is for commercial use, what is it?**

If the property is used wholly or in part for a commercial use or uses, choose from the options given on the return. If appropriate enter more than one.

**Question 3 - Have you applied for and received a post transaction ruling in accordance with Code of Practice 10, or asked us for advice on the application of the law to this transaction?**

Code of Practice 10 no longer applies, please answer yes if you have applied for a post transaction ruling under CAP1 or non-statutory business clearance (NSBC).

**First part**
You must answer ‘Yes’ or ‘No’.

**Second part**
You must answer ‘Yes’ or ‘No’ if you answered ‘Yes’ to the first part of this question.

[Read about CAP 1 How non-business customers or customers with a query about non-business activities get advice on HMRC’s interpretation of recent tax legislation](#)

[Read about non-statutory business clearances](#)

**Question 4 - Is any part of the consideration contingent or dependent on uncertain future events?**

You must answer ‘Yes’ or ‘No’.

Uncertain future events may include
- the granting of planning permission
- the final amount payable may not be known until a future date

If you answer ‘Yes’, you must also complete question 5.

Answer ‘No’ if it is only the rent that is contingent on a future event and complete questions 29 to 33 if the transaction is for the grant of more than one lease.

You can read more detailed information about contingent, uncertain or unascertained consideration in the SDLT manual.

[SDLTM05010 - How much is chargeable: Contingent, uncertain or unascertained consideration](#)
Question 5 – Have you agreed with HMRC that you will pay on a deferred basis?  
You must answer ‘Yes’ or ‘No’. (Have you applied for a deferred payment?)  
You must apply to defer payment to HM Revenue & Customs and the application must be received before the filing date.  
Mark your application ‘SDLT Deferment Application’ and send it to Birmingham Stamp Office.  
Contact details for Birmingham Stamp Office

Question 6 - If there are any mineral rights reserved enter the code below.  
Any mineral rights (historic or new) which are expressly excluded from this sale should be indicated here. Enter the appropriate code from the table. If more than one mineral or mineral right is reserved, enter code 01.  
A full list of codes can be found in the SDLT manual.  
SDLT manual – SDLTM62770 – Minerals or mineral rights reserved

Question 7 - Give a description of the purchaser(s)  
Use the appropriate code.

<table>
<thead>
<tr>
<th>Description of the purchaser</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unincorporated builder</td>
<td>01</td>
</tr>
<tr>
<td>Unincorporated sole trader other than a builder</td>
<td>02</td>
</tr>
<tr>
<td>Individual other than sole trader</td>
<td>03</td>
</tr>
<tr>
<td>Partnership</td>
<td>04</td>
</tr>
<tr>
<td>Local authority</td>
<td>05</td>
</tr>
<tr>
<td>Central government</td>
<td>06</td>
</tr>
<tr>
<td>Public corporation</td>
<td>07</td>
</tr>
<tr>
<td>Property company</td>
<td>08</td>
</tr>
<tr>
<td>Bank</td>
<td>09</td>
</tr>
<tr>
<td>Building society</td>
<td>10</td>
</tr>
<tr>
<td>Insurance/assurance company</td>
<td>11</td>
</tr>
<tr>
<td>Superannuation or pension find</td>
<td>12</td>
</tr>
<tr>
<td>Other financial institution</td>
<td>13</td>
</tr>
<tr>
<td>Other company</td>
<td>14</td>
</tr>
<tr>
<td>Other, including charity</td>
<td>15</td>
</tr>
</tbody>
</table>

Do you need to fill in form SDLT4 questions 8 to 37?  

<table>
<thead>
<tr>
<th>Transaction</th>
<th>SDLT4 questions for completion</th>
<th>Notes</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction where there is a lease involved (code A on SDLT1 question 2) with multiple properties</td>
<td>Questions 8 to 14 for each additional property not shown on the SDLT1.</td>
<td>If any property is non-residential or mixed also complete questions 1 to 7</td>
<td>If any property is non-residential or mixed also complete questions 1 to 7</td>
</tr>
<tr>
<td>Grant of lease (code L on SDLT1 question 2) with multiple properties</td>
<td>Questions 8 to 14 for each additional property not shown on the SDLT1. If any part of the property is non-residential or mixed use, complete lease questions 26 to 37 on one of the forms only.</td>
<td>If any property is non-residential or mixed also complete questions 1 to 7</td>
<td>If any property is non-residential or mixed also complete questions 1 to 7</td>
</tr>
<tr>
<td>Assignment of lease</td>
<td>No need to complete part 2 of form</td>
<td>Also complete</td>
<td>Also complete</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Questions Required</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>--------------------</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>Surrender of lease (code A) of single non-residential or mixed property</td>
<td>No need to complete part 2 of form About Leases Also complete questions 1 to 7</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>Grant of lease (code L) of single non-residential or mixed property</td>
<td>Questions 26 to 37 Also complete questions 1 to 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lease linked to lease entered on SDLT1 would also be code A at question 2</td>
<td>Questions 8 to 21 Complete SDLT1 at question 14 to show total tax payable for all linked transactions; include this total at question 15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lease linked to lease entered on SDLT1 would also be code L on SDLT1 question 2</td>
<td>Questions 10 to 27 plus Questions 28 to 37 for any lease of a property which is non-residential or mixed Complete SDLT1 question 14 to show total tax payable for all linked transactions; include this total at question 15 on the SDLT1</td>
<td></td>
</tr>
</tbody>
</table>

**Question 8 - Type of property**

Follow the guidance for completing SDLT1 question 1.

**Question 9 - Address or situation of land**

If the transaction involves a single property or title described in questions 16 to 33 of the SDLT 1 put X in the first box and go straight to question 26. Answer those of questions 26 to 37 that are relevant.

If you’re completing form SDLT4 because there is more than one property and the transaction type is A or L put this property address.

**Question 10 - 14**

Follow the guidance for completing SDLT1 questions 29 - 33.

**Question 15 - Interest transferred or created**

Follow the guidance for completing SDLT1 question 3.

**Question 16 - Type of lease**

Enter the code relevant to the lease:
- residential \( R \)
- non-residential \( N \)
- mixed \( M \)
The code you enter must correspond with the code you selected at question 16 on the SDLT1 return.

For more information on the code categories, follow the guidance for completing SDLT1 question 16.

**Question 17 - 20**

Follow the guidance for completing SDLT1 questions 17 - 20.
About leases (SDLT4)

Question 21 - What is the amount of VAT, if any?

Enter the amount of VAT charged included in the starting rent at question 20 plus any VAT included in the total premium payable shown at question 22. If there is no VAT leave blank.

Read more information about VAT in the SDLT manual.

SDLTM03800 – How much is chargeable: Interaction with VAT

Questions 22 - 25 inclusive

Answer these questions only for linked leases - ‘code’ L.

Question 22 - Total premium payable

Follow the guidance for completing SDLT1 return question 22.

Question 23 - Net present value upon which tax is calculated

Enter the NPV in respect of this lease only.

Enter values in whole pounds sterling.

You can read more information about the net present value in the SDLT manual.

You can read more information about how to calculate the net present value (NPV) of the rent in our guide on SDLT for leasehold purchases.

SDLT for leasehold purchases

Question 24 - Total amount of tax due - premium

The tax due on the premium is calculated as explained for SDLT1 question 13. To find out how to calculate the tax due on the premium, follow the guidance for completing SDLT1 return question 24.

Question 25 - Total amount of tax due – NPV

See question 23 above.

If there is no net present value enter ‘0’.

Questions 26 - 37 inclusive

Answer these questions only if you entered code ‘L’ at question 2 of the SDLT1 return and the property is mixed use or non-residential.

Question 26 - Any term surrendered

If the lease was granted as a replacement for a lease of the same property to the purchaser, what were the terms of the former lease? You should include:

- the rent returned under the previous lease
- period of the unexpired term of the lease
Question 27 - Break clause type

State whether the contractual term can be broken by the
- landlord
- tenant only
- either party

If there is a break clause you must also answer question 28.

Leave blank if there is no break clause.

Question 28 - What is the date of the break clause?

Date must be in dd/mm/yyyy format, for example 30/08/2012.

Question 29 - Which of the following relate to this lease?

Refer to the table below for conditions that might apply to your lease and indicate the ones that do.

<table>
<thead>
<tr>
<th>Conditions relating to lease</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to renew</td>
<td>Where the tenant has a right, or may exercise an option to renew or extend the lease.</td>
</tr>
<tr>
<td>Market rent</td>
<td>Where the rent reflects an open market rent for the land and buildings</td>
</tr>
<tr>
<td>Turnover rent</td>
<td>Where rent is based on the turnover or profit of the business concerned. This only applies to commercial leases.</td>
</tr>
<tr>
<td>Unascertainable rent</td>
<td>Where the whole or any part of the rent reserved for the term cannot be quantified.</td>
</tr>
<tr>
<td>Contingent reserved rent</td>
<td>Where a lease reserves a minimum rent that is to be paid in certain circumstances.</td>
</tr>
</tbody>
</table>

Leave blank if none apply.

Question 30 - Rent review frequency

Enter the number of years between reviews.

Use numbers, for example 2 not two.

Question 31 - Date of first review

Date must be in dd/mm/yyyy format, for example 30/08/2012.

Question 32 - Rent review clause (type)

If there is a rent review, choose the type of review from the list.

Question 33 - If schedule 17a para 7FA 2003 has been used in calculating the NPV, what is the date of the rent change?

Paragraph 7 Schedule 17a Finance Act 2003 applies for leases that specify:
- specific rent changes, for example 'stepped rents'
- a rent review that may result in changes to the rent payable during the term of the lease

If a rent review applies enter the date of the first rent change that may occur during the term of the lease. Date must be in dd/mm/yyyy format, for example 30/08/2012.
Question 34 - Service charge amount if known

Enter the amount of any charges specified in the lease to cover services, for example maintenance.

Leave blank if any of the following applies:
- the lease does not distinguish services charges from the rent
- the service charge amount cannot be determined – but enter any amount paid before the effective date

Enter values in whole pounds sterling.

Question 35 - Service charge frequency

If charged, choose the most appropriate frequency from the list.

Question 36 - Other consideration - tenant to landlord

Use one of the following codes if there is any form of consideration paid apart from cash, from the tenant to the landlord by way of a premium.

<table>
<thead>
<tr>
<th>Type of consideration</th>
<th>Code</th>
<th>SDLT Manual reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>01</td>
<td>SDLTM04040</td>
</tr>
<tr>
<td>Building works</td>
<td>02</td>
<td>SDLTM04060</td>
</tr>
<tr>
<td>Employment</td>
<td>03</td>
<td>SDLTM04080</td>
</tr>
<tr>
<td>Other (e.g market value)</td>
<td>04</td>
<td>SDLTM06010</td>
</tr>
<tr>
<td>Shares in a listed company</td>
<td>05</td>
<td></td>
</tr>
<tr>
<td>Shares in an unlisted company</td>
<td>06</td>
<td>SDLTM06360</td>
</tr>
<tr>
<td>Other land</td>
<td>07</td>
<td>SDLTM0420</td>
</tr>
<tr>
<td>Services</td>
<td>08</td>
<td>SDLTM04070</td>
</tr>
<tr>
<td>Contingent consideration</td>
<td>09</td>
<td>SDLTM05010</td>
</tr>
</tbody>
</table>

Question 37 - Other consideration - landlord to tenant

Use one of the codes from the table at question 36 if there is any form of consideration paid apart from cash, from the landlord to the tenant by way of a reverse-premium.