

**Stamp Duty Land Tax Working Together Steering Group**  
**Notes of Meeting on 31 January 2018**  
**100 Parliament Street, London SW1A 2BQ**

**Attendees**

Sean Bradley (SB) WRA	<i>HMRC:</i>
Dawn Bunyan (DB) VOA	Morris Graham (MG)
Andrew Campbell (AC) Clarke Willmott	Umara Mahmood (UM)
Nick Davies (ND) LR	Ken Glover (KG)
Jonathan Evans (JoE) BPF	Kathryn Robertson (KR)
Warren Gordon (WG) Law Society	Jane Ewart (JaE)
Andrew Hewitt (AH) Welsh Government	David McDowell (DMcD)
Isobel d'Inverno (ID)	Anne Berriman (AB)
Gordon Keenay (GK) FTI Consulting	
Dianne Latter (DL) Law Society	
Craig Lesley (CL) E&Y; STPG	
Gerald Moran (GM) STPG	
Sean Randall (SR) KPMG	
Leigh Sayliss (LS) HK	
Marc Selby (MS) Laytons	
Steven Sieff (SS)	
Stephen Ward (SW) CLC	
Kate Willis (KW) CIOT	

**1 Welcome**

MG welcomed everyone and introduced Kathryn Robertson, the new Head of Policy and Process on the stamp taxes policy team.

**2 Minutes of 4 September 2017**

The minutes of 4 September were agreed.

The APs from the 4 September meeting were discussed:

AP1	Set up meeting on HRAD	DMcD	Done
AP2	Clarify process for delivery of documents to CCH, Birmingham	KG/MG	Done
AP3	Set up meeting with DL	DMcD	Done
AP4	Set up meeting to discuss filing and payment time limit	JE	Done
AP5	Circulate draft guidance on LTT	Welsh Government	Done
AP6	Help with ATED digital campaign	PS	Done
AP7	Survey on higher rate on additional homes	DL	Done
AP8	Note of deferment issues for MG	GM	Done

### **3 Budget review**

#### ***First time buyer relief***

JE summarised the first time buyer (FTB) measure. This was introduced on 22 November 2017. Both the gov.uk calculator and the online return were updated in time for the changes. The final changes to the online return (e.g. to calculate the tax due on leases) were released on 23 January. There has been some interest regarding the application of the relief to purchases of shared ownership property where the purchaser does not opt to pay SDLT upfront of the market value of the property.

MS questioned whether an undivided share in jointly owned property is a major interest. This is an issue for both the higher rates for additional properties (HRAD) and FTB relief. DMcD advised that the issue had been referred for legal advice.

#### **AP1: DMcD to report on the jointly owned property/major interest point.**

#### ***Higher rates for additional homes***

DMcD summarised changes to HRAD. Work was needed to improve the guidance. A sub-group meeting would be set up before the end of February. WG asked HMRC to reconsider putting in place a requirement for purchasers to complete a declaration.

There was some concern about the user-friendliness of the guidance. AC suggested drafting guidance from the conveyancer's point of view and with regard to the type of transaction being reported. The Land Registry Practice Guides are very good examples.

There was concern about the complexity of SDLT generally. MG petitioned the group for active support in improving guidance and looking at new ways of managing down demand from customers, which will create capacity for genuine technical queries. The group agreed to support such measures.

#### **AP2: DMcD to follow up with Damian McCluskey the initiative to find ways to improve guidance.**

### **4 Performance Update**

KG circulated a printed spreadsheet containing various performance related statistics.

#### *SDLT online filing:*

2016/17: 98.1% of SDLT returns were filed online; 2017/18: 98.6% (99% in the last 2 months).

#### *Payment methods*

Continues to move from cheque to CHAPS/BACS. 2016/17: electronic payment had risen to 76.5%.

#### *Calls to the stamps helpline*

April to December 2017: 117,155

Average call answering time under 4 minutes. Average length of call just over 6 minutes

Most calls concerned payments sent to HMRC. CL suggested acknowledgments for electronic payments.

#### *Post*

Loss of resource through attrition and promotions.

Ways to improve processes are under review.

For post/correspondence, the correct address is SDLT, HMRC, BX9 1HD.  
For SDLT1, the correct address is SDLT, HMRC, BX9 1LT.

#### *HRAD*

HRAD refund claims received April to December 2017: 21,811 (includes rejections and claims re-submitted with additional information).

Total repaid in April to December was £152.6 million.

DMcD is looking at how the number of requests can be reduced. ID asked whether there would be functionality to amend on line. JE advised there was currently no funding. MG said there were other priorities.

MG summarised the new structure at HMRC. WG requested a list of contacts.

#### **AP3: MG to arrange a list of contacts for the group.**

##### *General Refunds*

General refund claims received April to December 2017 were 10,548 (includes rejections and claims re-submitted with additional information).

##### *Technical Queries*

BSO aims to deal with these in 28 days, but the team has worked really hard to get down below 15 days. Currently about 240 cases on hand. Approximately 400 queries per month.

Common errors requiring further contact include incorrect name or address on SDLT1, incorrect effective dates on repayment claims, incorrect payment references.

#### **5 VOA**

DB, non-domestic rating policy lead at VOA, summarised the review of data currently being conducted at VOA. This has involved assessing the importance of questions, tracking the data journey and consulting officials. The next step is to compile recommendations for Directors. There was some discussion on the schedules to SDLT1 (the data is required when there is a purchase of a freehold or grant of a head lease and relate solely to underlying leases/underleases encumbering the property). AC stressed that the data provided in these schedules are not required for the conveyancing process itself.

WG advised that the schedules were a concessionary measure and avoids the need to complete a SDLT4 for each of the underlying leases/underleases.

There was some dispute regarding the legality for HMRC to require the data in the schedules.

GM advised that there is no legal provision for the completion of the schedules or the data within them and it would be unreasonable to request these when the 14 days window is introduced.

#### **AP4: JE and AB to check the background of the schedules to SDLT1.**

#### **6 Welsh Revenue Authority/ Awdurdod Cyllid Cymru**

SB advised that from 1 April 2018, SDLT would be switched off in Wales. Landfill tax will also be devolved to Wales. The new Welsh Revenue Authority will be supported by 60-70 staff. Head of Ops is Sam Cairns. From mid/late February, agents will be able to register. A paper filing process will also be available. There is no FTB relief. Guidance is currently work in progress and should be ready by end of March.

AH advised that various SIs had now been made and laid. There are transitional measures which aim to create a smooth changeover. The filing and payment window will be 30 days. Various SIs were published 1 February 2018:

SI 2018/125 The Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendment to Schedule 5) Regulations 2018;

SI 2018/126 The Land Transaction Tax (Transitional Provisions) (Wales) Regulations 2018;

SI 2018/133 The Land Transaction Tax (Specified Amount of Relevant Rent) (Wales) Regulations 2018;

SI 2018/128 The Land Transaction Tax (Tax Bands and Tax Rates) (Wales) Regulations 2018.

## **7 AOB**

SS has been assisting with the HMRC manual update work. The chapter on leases has been updated and HMRC is currently reviewing the output. Overall, the initiative has been a real success so far and MG thanked STPG for their input and sponsorship of this important work.

KW raised the issue of delays in ATED repayments. KG responded that in general an ATED repayment is normally made within 10 working days. If HMRC have to make contact with the customer then this will obviously take longer. We are aware of a small number of cases that have been reported to the IT team where we couldn't make the repayment. It appears this was an issue with sort codes and I believe the issue has now been corrected. There were no links between the cases.

ATED temporary reference numbers. KG advised that in 2016 if HMRC were unable to get the ATED reference number out to the customer in time to file their return they were told to use XATED followed by the property postcode – This was information/guidance published on Gov.uk. If they are now still trying to use this reference number to make payments now instead of their correct ATED reference number this is likely to be the issue.

ATED late filing penalties. HMRC acknowledged that there is some delay in issuing manual penalty notices this year, but that this, along with many ATED admin issues, would be addressed via the new digital process, which HMRC asked the group to promote to their membership. Registration is open now.

SDLT Notification of Charge and Notice to Pay don't currently identify the property to which the charge relates, and often show VAT reference numbers.

**AP5: KG to look into the issue regarding the Notification of charge and Notice to pay as these documents do not identify the property concerned.**

JE asked if the group could remind colleagues/members to enter property type code 04 on the return for transactions that are liable to HRAD. DL asked HMRC to provide a paragraph on this that, which JE agree to do.

**AP6: JE to draft a paragraph for the group on the entering the correct property type code on the return.**

**Action points**

AP1: DMcD to report on the jointly owned property/major interest point.

AP2: DMcD to follow up with Damian McCluskey the initiative to find ways to improve guidance.

AP3: MG to arrange a list of contacts for the group.

AP4: JE and AB to check the background of the schedules to SDLT1.

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