
52 SDLT higher rate: acquisition under home reversion plan

(1) Schedule 4A to FA 2003 (SDLT: higher rate for certain transactions) is amended as follows.

(2) After paragraph 5C insert –

“Acquisition under a regulated home reversion plan

5CA (1) Paragraph 3 does not apply to a chargeable transaction if (and so far as) the purchaser –

- (a) is an authorised plan provider, and
- (b) acquires the subject-matter of the chargeable transaction as a plan provider.

(2) For the purposes of this paragraph the purchaser acquires the subject-matter of the chargeable transaction “as a plan provider” so far as the purchaser acquires it under a regulated home reversion plan which the purchaser enters into as plan provider.

(3) In this paragraph –

“authorised plan provider” means a person authorised under the Financial Services and Markets Act 2000 to carry on in the United Kingdom the regulated activity specified in article 63B(1) of the Regulated Activities Order (entering into regulated home reversion plan as plan provider);

“the Regulated Activities Order” means the Financial Services and Markets (Regulated Activities) Order 2001 (S.I. 2001/544);

“regulated home reversion plan” means an arrangement which is a regulated home reversion plan for the purposes of Chapter 15A of Part 2 of the Regulated Activities Order.

(4) In this section references to entering into a regulated home reversion plan “as plan provider” are to be interpreted as if the references were in the Regulated Activities Order.”

(3) After paragraph 5I insert –

“5IA(1) This paragraph applies where relief under paragraph 5CA (acquisition under a regulated home reversion plan) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.

(2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction the purchaser holds the higher threshold interest otherwise than for the purposes of the regulated home reversion plan (as defined in paragraph 5CA).

(3) But sub-paragraph (2) does not apply if –

- (a) after ceasing to hold the higher threshold interest otherwise than for the purposes of the regulated home reversion plan, the purchaser sells the higher threshold interest without delay (except so far as delay is justified by commercial considerations or cannot be avoided), and

(b) at no time when the higher threshold interest is held by the purchaser as mentioned in sub-paragraph (2) is the dwelling (or any part of the dwelling) occupied by a non-qualifying individual.

(4) In this paragraph—

“the dwelling” means the dwelling to which the relief under paragraph 5CA relates;

“non-qualifying individual” is to be interpreted in accordance with paragraph 5A.”

(4) The amendments made by this section have effect in relation to any land transaction of which the effective date is on or after 1 April 2016.