
Stamp duty land tax

1 Transfers of property to local government pension scheme pools

Schedule 1 grants relief from stamp duty land tax in connection with the pooling of property held for the purposes of the local government pension scheme.

SCHEDULE 1

Section 1

STAMP DUTY LAND TAX: RELIEF FOR TRANSFERS INTO LGPS POOLS

The main relief

- 1 A land transaction is exempt from the charge to stamp duty land tax if it meets the conditions in –
 - (a) paragraph 2 (chargeable interest must be held within LGPS before transfer),
 - (b) paragraph 3 (purchaser must be a fund established or managed by an asset pool company), and
 - (c) paragraph 4 (chargeable interest must be a major interest in land).

Chargeable interest must be held within LGPS before transfer

- 2 (1) The condition referred to in paragraph 1(a) is that immediately before the land transaction is entered into, the whole of the chargeable interest acquired –
 - (a) is held for the purposes of the local government pension scheme, and
 - (b) is held directly or indirectly by one or more administering authorities.
- (2) In determining whether the whole of the chargeable interest is held as mentioned in sub-paragraph (1)(b), ignore any portion of it if –
 - (a) the portion is held directly or indirectly by a general partner in a limited partnership, and
 - (b) the general partner would not be entitled to more than 1% of the assets of the partnership on a winding-up of the partnership.
- (3) In a case where the chargeable interest acquired is an undivided share of a major interest in land, sub-paragraphs (1) and (2) have effect as if the references there to the chargeable interest acquired were to the whole of that major interest.

Purchaser must be a fund established or managed by an asset pool company

- 3 (1) The condition referred to in paragraph 1(b) is that the purchaser is a qualifying fund –
 - (a) that is established or managed by a vendor-related asset pool company, and
 - (b) all of the shares in which are held directly or indirectly by –
 - (i) administering authorities, or
 - (ii) that vendor-related asset pool company.
- (2) An asset pool company is “vendor-related” for that purpose if any shares in it are held directly or indirectly by the administering authority or authorities mentioned in paragraph 2(1)(b).

Chargeable interest must be a major interest in land

- 4 (1) The condition referred to in paragraph 1(c) is that the land transaction is an acquisition of a major interest in land other than the grant of a lease.
- (2) That condition is regarded as met in a case where—
- (a) the land transaction is a transfer that is taken to be a land transaction by virtue of paragraph 14 of Schedule 15 to FA 2003 (deemed land transaction in case of transfer of interest in property-investment partnership), and
 - (b) the chargeable interest referred to in paragraph 14(1)(c) of that Schedule is a major interest in land.
- (3) References in this paragraph to a major interest in land include an undivided share in a major interest in land.

Relief where chargeable interest is transferred indirectly then distributed to fund

- 5 (1) A land transaction is exempt from the charge to stamp duty land tax if—
- (a) it consists of the acquisition by a qualifying fund of a chargeable interest from a company, and
 - (b) it is entered into after a related indirect transfer of the chargeable interest.
- (2) For that purpose a “related indirect transfer” of the chargeable interest means an acquisition by the qualifying fund of shares in the company in circumstances where—
- (a) the chargeable interest is held directly or indirectly by the company as at the time when its shares are acquired, and
 - (b) had the chargeable interest been acquired directly at the time when the shares were in fact acquired, relief under paragraph 1 would have been available by reference to the acquisition of the chargeable interest.

Exclusions: double relief or tax avoidance

- 6 (1) Relief under this Schedule is not available in relation to a land transaction (“the relevant transaction”)—
- (a) if relief under this Schedule has already been given in relation to another land transaction of which the main subject-matter was the same as the main subject-matter of the relevant transaction, or
 - (b) if the relevant transaction forms part of arrangements whose main purpose, or one of whose main purposes, is the avoidance of any of the following—
 - (i) stamp duty land tax;
 - (ii) capital gains tax;
 - (iii) corporation tax (including an amount chargeable as if it were corporation tax or treated as if it were corporation tax);
 - (iv) stamp duty;
 - (v) stamp duty reserve tax;

- (vi) tax charged or to be charged under Part [] of this Act (securities transfer tax).
- (2) “Arrangements” in sub-paragraph (1)(b) includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).

Cases involving joint tenancies where not all tenants pool their interest

- 7 (1) This paragraph applies where –
- (a) immediately before a land transaction is entered into, two or more administering authorities are beneficially entitled as joint tenants to the chargeable interest acquired, and
 - (b) immediately after the land transaction is completed, at least one of those administering authorities (“continuing tenants”) and a qualifying fund are beneficially entitled as joint tenants to that chargeable interest.
- (2) In the application of the condition in paragraph 3 (purchaser must be a fund established or managed by asset pool company) in relation to the land transaction –
- (a) that condition is not prevented from being met by reason only that a continuing tenant, as well as a qualifying fund, is the purchaser, and
 - (b) an asset pool company is not prevented from being “vendor-related” by reason only that no shares in it are held by a continuing tenant.
- (3) If a continuing tenant subsequently enters into a land transaction as a vendor in relation to the same chargeable interest, the exclusion in paragraph 6(1)(a) does not apply to that subsequent transaction by reason only of the land transaction referred to in sub-paragraph (1).

Preparatory buy-ins

- 8 (1) A preparatory buy-in is ignored for the purposes of section 75A of FA 2003 if but for this paragraph it would be the first of a series of scheme transactions (within the meaning given by subsection (1)(b) of that section).
- (2) Where a preparatory buy-in takes place, the later transfer is not a pre-completion transaction for the purposes of Schedule 2A of FA 2003 (sub-sale relief etc).
- (3) For the purposes of this paragraph a land transaction is a “preparatory buy-in” if –
- (a) after entering into the land transaction, the purchaser in relation to the transaction enters into another land transaction (“the later transfer”) as vendor,
 - (b) relief under this Schedule is available in respect of the later transfer, and
 - (c) the condition in paragraph 2 would not, but for the land transaction, have been met in relation to the later transfer.

Relief to require a claim

- 9 (1) Relief under this Schedule must be claimed in a land transaction return or an amendment of such a return.
- (2) A claim must include, or be accompanied by, such information (if any) as the Commissioners for His Majesty's Revenue and Customs may specify in a notice published by them.

Interpretation of Schedule

- 10 (1) In this Schedule –
- “administering authority” has the same meaning as in the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356) (see Schedule 1 to those regulations);
 - “asset pool company” has the same meaning as in Chapter 1 of Part 1 of the Pension Schemes Act 2026 (see section 1(9) of that Act);
 - “exempt unauthorised unit trust” has the same meaning as in the Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819) (see regulation 3 of those regulations);
 - “local government pension scheme” means the scheme established by the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356);
 - “qualifying fund” means –
 - (a) a co-ownership authorised contractual scheme,
 - (b) a Reserved Investor Fund (Contractual Scheme), or
 - (c) an exempt unauthorised unit trust.
- (2) This Schedule is to be construed as one with Part 4 of FA 2003 (stamp duty land tax).

Commencement and sunset

- 11 (1) Section 1 and this Schedule have effect in relation to land transactions whose effective date is –
- (a) on or after [date of Budget 2026], and
 - (b) before 1 April 2032,
- subject as follows.
- (2) Relief under paragraph 1 is not available in relation to a land transaction unless as at [date of Budget 2026] the whole or a portion of the chargeable interest acquired –
- (a) was held for the purposes mentioned in paragraph 2(1)(a), and
 - (b) was held directly or indirectly by the same administering authority or authorities by reference to which the relief would be claimed (see paragraph 2(1)(b)).
- (3) Sub-paragraph (2) has effect, in relation to a land transaction that consists of the acquisition of an undivided share of a major interest in land, as if

the reference there to the chargeable interest acquired were to that major interest.

(4) In a case where—

- (a) as a result of section 44(4) of FA 2003 the effective date of a land transaction falls before 1 April 2032, and
- (b) the contract concerned is completed by a conveyance on or after that date such that section 44(8) of that Act (transaction effected on completion deemed to be separate land transaction) applies,

section 1 and this Schedule have effect in relation to the transaction effected on completion notwithstanding that its effective date is on or after 1 April 2032.