

Ref: PT

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HMRC Stamp Taxes

Via email: [stamptaxes.budgetfinancebill@hmrc.gov.uk](mailto:stamptaxes.budgetfinancebill@hmrc.gov.uk)

Dear Sirs

## Draft regulations for consultation: The Stamp Duty Land Tax (Service of Documents) Regulations 2022

### Introduction

Under section 7 of the Interpretation Act 1978, a notice or other document is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document. For the purposes of SDLT FA 2003 section 84(3) currently provides that a letter is 'properly addressed' for this purpose if it is addressed to the company at its principal place of business, or to a liquidator if one has been appointed, or to any other place prescribed by regulation. These draft regulations prescribe additional addresses for deemed service by post under section 7 of the Interpretation Act.

The explanatory memorandum indicates the aim of the draft regulations is to address a 'gap in the legislation' (that is, the deemed service provisions apply only to the principal place of business not to the registered office address or to the address provided in the SDLT 1) and to provide HMRC with additional operational flexibility.

### Our comments

As a result of the amendment there will be four possible addresses for deemed service of a notice to a company for SDLT (the proposed new addresses are in bold)

- **The address of the company's registered office, if the company is UK incorporated.**
- **If the company is incorporated outside the UK, the address of any place of business it is required to register in its place of incorporation.**
- **The address provided to HMRC on the company's SDLT1 .**

- The address of the company’s principal place of business.
- The address of an appointed liquidator

These changes provide HMRC with a choice of which address to use to create a presumption that the notice has reached the taxpayer company. On the other hand, the taxpayer company does not know which address will be used. In practice we assume the address in the SDLT 1 is likely to be the easiest to use in most circumstances being readily available to HMRC. Therefore we consider that the guidance for completing the online and paper return should be much clearer for taxpayers on the address to be included on the SDLT 1 return, and should state that HMRC may use this address for the service of notices in the future. For example, taxpayers need to be aware that the address inserted should be one that will remain in use (not, for example the address of the premises that the business is in the process of moving from) and that there are arrangements in place to forward post if the address is not regularly monitored. The current guidance at question 56<sup>1</sup> for completing a paper SDLT 1 is not particularly clear and will need updating.<sup>2</sup>

Consistent with HMRC’s Charter commitments the guidance could also helpfully confirm that notices will be copied to any agent listed in the SDLT return, or authorised by a subsequent letter of authority. It may be implicit in Question 61 ( *Question 61 — I authorise my agent to handle correspondence on my behalf*) but it is not stated explicitly.

Yours faithfully

Marc Selby  
Chair, Property Taxes Committee

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<sup>1</sup> <https://www.gov.uk/government/publications/sdlt-guide-for-completing-paper-sdlt1-return/guide-for-completing-paper-sdlt1-returns#the-purchaser>

<sup>2</sup>

**Current guidance for Question 56 — purchaser (1) — address**

You must answer this question.

Enter the address where we can write to purchaser (1) after the effective date of the land transaction. If this is the property address, indicate with an ‘X’ to show same as [question 28](#).

Use a separate row for each line of the address making sure the house or building number and postcode are entered in the relevant fields.

If the address of residence of purchaser 1 is not available show their contact address. If the purchaser is a company the address of the registered office should be shown.

## **The Chartered Institute of Taxation**

The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.

Our stated objectives for the tax system include:

- A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
- Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy.

The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.

Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.