Institution **CIOT - CTA**
Course **Adv Tech Domestic Indirect Tax**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID

Count(s)	Word(s)	Char(s)	Char(s) (WS)
Section 1	**1078**	**4654**	**5721**
Section 2	**946**	**4202**	**5144**
Section 3	**841**	**3822**	**4664**
Section 4	**783**	**3655**	**4429**
Section 5	**874**	**4045**	**4919**
Section 6	**851**	**3875**	**4718**
Total	**5373**	**24253**	**29595**

Answer-to-Question-_1_

The provision of office space is a supply of land (licence to occupy), which is exempt - subject to an option to tax.

Supplies made between memebrs of the VAT group are disregarded - therefore where there are suppies from OR Ltd to SS Ltd, these will be disregarded. There is market-rate rent being charged between the parties, which suggests the arrangement is a bona fide commercial arrangement and that there is not scope for HMRC to suggest abuse of rights.

Works -

The works which have been capitalised will be subject to the Capital Goods Scheme (as they exceed a cumulative total of £250k excluding VAT), requiring taxable use to be monitored over a 10 year period.

The total of the 3 costs capitalsed is 900k. With VAT of £180k being incurred on the costs.

The works seem to all be part of the same contract, therefore one cgs asset.

VAT would be recovered on each element at the time the costs were incurred, under PE principles (in this case 100%).

This will be finalised by way of annual adjustment for the y/e 31/3/25 (in the 30/06/2025 VAT return).

CGS adjustments will then start to be required for the y/e 31/3/26 (due in the 09/26 VAT return).

Property sale

The property sale would be exempt as it isnot a new commercial property, and also is a lease not a F/H.

OR Ltd could look to treat the property as a TOGC, providing the relevant conditions are met:

- it could be treated as a togc as is partially tenanted
- If it is to be used by SS Ltd for the same purposes as OR Ltd (ie letting) this should qualify.
- There should not be a break in trading, it should be handed over fully operational.
- not a series of consecutive transfers
- Either neither party opts to tax, or both parties opt to tax before the transfer date.

If these conditions are met, it will qualify automatically as a togc, of a partially tenanted proieoprty, you cannot opt to not treat it as such - if the conditions are met.

If it is not a togc but is an exempt disposal of the land is made then this will have CGS implications, as VAT would have been reocvered on the refurbishment, which is within CGS - and therefore adjustments will need to be made for an exempt sale.

In a case where OR Ltd is the one who is entitled to the rents under the leases then he will be treated as the beneficial owner and therefore the owner from a VAt perspective - however, if the beneficial interest is transferred to SS Ltd from OR Ltd then, even if OR is the legal owner, it should still be treated as a disposal.

If it is simply the assining the rights to SS Ltd, then under Abbey National principles, this would not constitue a property transaction for VAT purposes.

If it is a TOGC, then VAT will not be accounted for on the £1.5m consideration, as the supply will be outside the scope of VAT. If it is not a TOGC, but rather an exempt supply of land, CGS implications will arise on any input tax reclaimed by OR Ltd under CGS - this will have an unwanted VAT cost for the group.

OR Ltd could opt to tax the property. This would then result in the sale being a taxable sale. If SS Ltd has not opted to tax, it cannot be a TOGC. The charity on the ground floor should not be affected by the option, as it could look to disapply it if using for RCP.

However, as the property letting to a third party is so minimal, it does not seem as though OR Ltd is really carrying on a letting business (other than to SS Ltd in its VAT group) - therefore the property itself could not be regarded as a property letting business.

As the shares are being sold to a third party, it looks as though there is no option to transfer the whole of the OR entity (ie the bussiness as a whole, not just the partly tenanted property) as a TOGC either.

<u>Opt to tax</u>

If OR Ltd opts to tax the property then the tax point of the transfer will determine when the implications arise - as it is a supply of goods (a lease which is >21years), the basic tax point will be when the property is transferred/made avalaible for use - this cannot be done until freeholder consent is received.

HMRC could look to ensure that the sale is done at market value, and would also look to ensure it has been done for bona fide commercial purposes. For example, if OR can demonstrate it has opted to tax to recover VAT on its costs under CGS, as well as for costs incurred in relation to the proeprty sale, then this should demonstrate that it is simply benefitting from the option to tax mechanism, rather than structuring the transaction to obtain a VAT advantage.

If HMRC were to challenge such arrangement then they would have to prove that the transaciton was structure for the purposes of obtaining a tax advange and that this is contrary to the purposes of the law - in this instance, it does not seem that opting the property (and selling it as a taxable commercial property) would be contrary to the purposes of the legislation.

SS ltd would look to treat the input tax incurred on the property as residual (ie an overhead realting to the group as a whole) and would then recover the VAT charged in line with its usual partial exemption method - which provides for high recovery.

SS LTd will need to ensure that it considers CGS implications itself, as it is buying a property on which VAT has been charged, and the vat excl value is £1.5m so is a CGS asset.

Sale of shares -

The sale of the shares will be an exempt supply - if the group, however, can demonstrate that the reason for selling the shares is to raise funds for an entirely taxable purpose, then it could look to argue for recovery on any costs incurred in respect of the share sale - however it is not clear as to the reason/intention for selling the shares, and the position is also unclear based on current litigation (HLT).

--------------ANSWER-1-ABOVE---------------

--------------ANSWER-2-BELOW---------------

Answer-to-Question-_2_

Trading or not

HMRC have argued in cases such as Heartlands House that, if a trader is not actively following up on payments or is not raising invoices, that this could mean the business is not 'in business' for VAT - however the courts decided that demonstrating intention can be done through having contracts showing you are incurring costs and that there are supporting commercial agreements. In this instance, for DriveDifferent Ltd, similar to Heartlands House, it is clearly in business - it is just under poor management.

Time of supply

The supply of the lease of vans will be standard rated, as a supply of a service - not a supply of goods.

VAT is accounted for at the time of supply.

For the supply of a service, VAT should be accounted for when the service is performed, this could be at the point that the Van is leased to the customer, or DriveDifferent Ltd ('DD Ltd') could argue that the service is not 'performed' until the lease has been completed, and the vehicle is returned, in which case, the tax point should be when the vehicle is returned to them (subject to the below taxpoint override). This seems to be the case as, at the time the lease happens, it is not known how long the supply will be for - or the amount of the supply (as it is dependent).

The tax point would be overridden in a case where an invoice is issued prior to the completion of the services, or if payment is received prior to the completion of the services.

If the lease is treated as a continuous supply of services, due to the uncertain nature of the duration, then there is no date on which the services are 'performed' and therefore the tax point would be the earlier of the issue of an invoice or receipt of payment.

Whilst a 'statement' is issued bi-weekly, this would not constitute a VAT invoice for the purposes of creating a tax point - so would not result in the accounting for VAT at this point.

Therefore, it seems as though the tax point for the supply will be at the completion/performance of the service, which is when the van is returned.

It should then look to require payment from customers as soon as possible, as it will have an obligation to account for output tax on the value of the contracts as soon as the tax point is created.

Bad Debt relief is a mechanism which allows for a taxpayer to reclaim paid output tax, if the debt is not settled by the customer within 4y 6m of the later of the date the consdieration was written off or the date of supply. It can only claim BDR once 6 months has elapsed from the date of supply has elapsed. This seems to be the date of the 'completed contracts' as provided in the table.

As DD Ltd is in distress, it should look to finalise and make claims for any elgible BDR as soon as possible - to recover overpaid output tax.

It looks as though DD Ltd could claim some additional bad debt relief in respect of the supplies between 9-12 months, as this will be past the 6 month rule - therefore should be £72k*20% = 36k, rather than 30k claimed.

It should also check the calculations for 6-9months as it has only recovered 10k, when the net amount is 200k - suggesting therefore that BDR could be claimed at 20% of 200k (therefore 40k).

Where making BDR claims, DD Ltd will need to note that it will need to make repayments of claimed BDR if these invoices are then settled by the customers - if not, penalties and interest could be imposed by HMRC.

Option 1

The sale/assignmnet of debt at a discounted rate in recent case law did not consititue a supply for a consderation.   Therefore under option 1, this is not liekly to be considered a supply.

Therefore, there would not be an obligation to account for VAt on the sale, but commercially, if selling at a 50% discount, this is effectively writing off a lot of potential revnue (providing the customers do eventually pay), so this may not be preferred.

Option 2 -

In respect of option 2, it seems there is a supply being made for a consideration, and therefore VAt should be accounted on the supply.

DD ltd is receving a payment from VanBorrow Ltd, and in return is providing potential future income to VanBorrow Ltd.

The right to receive income will be treated as an exempt supply of money. Where the vehicles are being provided to VanBorrow Ltd, this could be a seperate supply of goods, or could be seen to be one whole complex supply (levob) of an exempt right to recevie income.

As VanBorrow will also take over the accounitng function of the business, it seems this will be a preferred option for DD Ltd, as it is in distress and needs help.

The standard invoicing practice should result in consistent tax points, and should also help receive funds from customers (as customers may tend to 'wait' for an invoice before making a payment - if this is never issued, then there is never any cash being received).

It seems as though VanBorrow would be acting as agent for DD Ltd in respect of issuing invoices for all the contracts which are currently in place. If cash is received as a result of the issue of the invocies for the current contracts then DD Ltd will need to consider that it will need to make repayments of any claimed BDR.

--------------ANSWER-2-ABOVE---------------

--------------ANSWER-3-BELOW---------------

Answer-to-Question-_3_

Part 1

WhyteGoods Ltd ('WG Ltd') looks to be a predominantly taxable business, making supplies of goods to customers.

Per the case of Empire Stores, where there is a refer a friend scheme, resulting in a supply of goods being made to a customer as a reward - this needs to be valued based on cost price to the taxpayer to determine the amount of VAT on the supply.

The supply of a bonus in return for a customer referring a friend is a supply for VAT purposes, as WG Ltd is receiving non-monetary consideration (in the form of a referal) in return for the provision of a bonus.

Where a new customer purchases a product and completes the other steps required to get the 'bonus', WG Ltd will need to consider the implications of accounting for VAT on this.

The £20 credit, however, could be considered as being a voucher for VAT purposes. Howvеer, it would seem to not be a voucher as it is a credit againt the WG Ltd's customer's account - which suggests it would therefore not be transferrable (breacing condition 3 in Sch 10B).

The 5% discount is lieklky to be regarded as a reduction in consideration against the new product the customer is purchasint. If this is the case, VAT would need to be accounted for on the reduced value. If the £20 credit is regarded as being a reduction in consideration for the supply which WG is making of the sale of goods to the customer.

The extended warranty provoided on the goods free of charge is liekly to be considered as part of a single complex supply (levob) of the goods being sold - therefore the whole supply will be subject to the same VAt rate. However, where it is seperately itemised, which is the case here, and the customer is fully aware they are receving two seperate supplies (Black Cabs Services case), then VAt will need to be accounted for seperately on the goods vs the warranty.

If the warranty is considered to be an exempt supply of insutrance, then WG Ltd should consider the partial exemtpion implications of this as it will be making a mixutre of both taxable and exempt supplies, requiring an appoortinmen to i/t - subject to de minimis.

The maintanance programme is a taxable service being provided. WG Ltd is esentially receving £60 cash, and £40 worth of non-monetary consideration where making a supply of the maintanence programme - this is on the basis that the supply is listed at £100 per year (therefore under Naturally Yours principles, the difference between the list price and the paid price, where something non-monetary is being provided as well) will be the non-monetary consideration value. As such, output tax will need to be accounted for on the £100 (at 1/6).

There could be an argument by HMRC that any VAT charged by Electpair Ltd to WG Ltd is not recoverable, as the maintenance is being provided to the customer - however, under Aimia principles, where VAT is being charged to a scheme operator, for the purposes of securing an income stream (ie making sales, which happen to give the customer a bonus as well), VAT incurred should be deductible on these costs incurred.

Part 2 -

Ordinary warranties are not subject to IPT, as they are not considered to be a contract of insurance.

Insurance which is supplied with domestic goods will be subject to the higher rate of IPT, ie 20%. This is to prevent suppliers essentially value-shifting to reduce the amount of tax it accounts for.

Extended warranties, will be subject to IPT as a contract of insurance.

WG Ltd is acting as an intermediary for IPT purposes. The insurance is seperately disclosed. Therefore, as it realtes to a higher rate contract and is seperately disclosed WG Ltd will have an obligation to account for IPT on the £5 commissions it is receiving.

This will result in WG Ltd being reequired to register for IPT as well as file IPT returns. An IPT registration is required as soon as WG Ltd makes or intends to make any supply liable to IPT - there is a £nil threshold. On each sale it will need to account for ipt at 1/6 of £5 = £0.83.

As WG Ltd is a taxable intermediary, it will need to account for IPT under the cash receipt method - ie pay the laibility when the cash is received (ie the £5).

As IPT is due, if WG Ltd has not notified HMRC that it should be registered, and not accounted for IPT, then a penalty of £250 or 5% of the unpaid IPT liability, whichever greater, wll be due as a penalty.

Where there is no premium being given, under Prudential principles, this is not an IPT supply (i.e., sometehing is only subject to iPT where there is a premium, insurable interest and indemnity for losses).

The maintenance agreement seems to be akin to a service contract, which is not subject to IPT.

--------------ANSWER-3-ABOVE---------------

--------------ANSWER-4-BELOW---------------

Answer-to-Question-_4_

Product 1 -

The supply of a flapjack in the DuelFuel case was considered to be akin to confectionery, and therefore subject to VAT at 20%.

Some traditional flapjacks have managed to secure ZR as a cake. However, in Shop4Lyf's instance, it is clearly marketed as being confectionery - and something which is sweetened prepared food (it contains syrup and fruit here, so is 'sweetened') designed to be eaten with the fingers. As such, this is liable to VAt at 20% and Shop4Lyf has underdeclared output tax by treating this as zero rated.

Product 2 -

There is potential scope to say that Shop4Lyf is correct in treating the drink as SR - this is on the basis that it is sold as something to give someone additional energy and, as such, this could be considered to be a 'sports drink'.

However, per the Innate Essence case, the courts ruled that the supply of a tumeric shot cannot be considered to be a beverage (which would be SR), as any ordinary person would not look at a Tumeric Shot and think it was a 'beverage'. Rather it is designed and marketed to be a health food and therefore ZR.

Shop4Lyf has therefore incorrectly treated the Tumeric Shots as being SR, when in fact these are ZR - it has overdeclared output tax.

Product 3 -

There is recent/ongoing case law in Innovative Bites has specifically discussed the VAT laibility of 'giant marshmallows'

The courts origianlly decided that, following a 'multi-factorial assessment' the marshmallows were designed and marketed as a cooking ingridennt - not as sweetwend prepared food designed to be eaten with the fingers. On this basis, the supplies were liable to the ZR of VAT - as they would not be excepted from ZR under confectionery.

Howevrer, this has now been overturned and sent back to the FTT for reconsideration - and there is still uncertainty as to the liabilty.

The products are marketed in the BBQ section, which supports the argument that these are not confectionry and therefore not SR, but rather a cooking ingridient. Further to this, selling the skwers with the marshmallows further reitterates the intention that the marshmallows are supposed to be eaten from a stick - rather than as finger food - which further points towards ZR.

The skewers which are sold with the marshamallows seem to be a seperate supply, rather than a single complex supply (levob) as they can be purchased on there own as well as being included in some cases with the marshmallows.

There could be an argument that under CPP principles, the skwer forms to be ancillary to the marhsmallow as a means of better enjoyment - therefore where the skewer is provided with the marshmallows, this is all subject to ZR.

But If skewers are sold seperately, these should be sold + VAT at SR.

Shop4lyf may benefit from requesting a ruling from HMRC on the liability of its products, as the treatment is unclear and whilst there is ongoing litgation, the facts here are slightly different - with Shop4Lyf selling the marshamallows with a skewer, which would point more towards Zr and away from SR 'finger food'.

Where the marshamallows are sold in isolation, there is still scope for the ZR to apply, and Shop4Lyf should keep an eye on the ongoing litigation in this area.

Unjust enrichment argument

In the M&S case, M&S had been incorrectly treating chocolate teacakes as Sr, when in fact they should have been ZR - as such, it had overaccounted for output tax.

HMRC argued that, allowing M&S to be repaid for the overdeclared output tax would result in unjust enrichment - however the courts agreed that, as M&S had suffered lower profits, and less competitivness as a result of treating the products as SR, it would not be unjustly enriched and therefore could be repaid the overdeclared output tax.

This seems to also be the case for Shop4Lyf, so it should be able to secure the below repayment from HMRC without an unjust enrichment challenge.

<u>Next steps</u>

As VAT has not been accounted for correctly, a disclousre will need to be made to HMRC - the error cannot be adjusted for on Shop4Lyf's VAT return as the quantum of the error is so large.

Error on product 1 = £196,950/6 = £32,825 due to HMRC
Error on product 2 = £3.60*100,515 /6 = £60,309 due back from HMRC.
Error on product 3 (assuming should be ZR) = £16,086 due back from HMRC.

Total = £43,570 due back from HMRC - assuming product 3 should all be ZR, but HMRC could take an alternative view. The position is clearer on products 1 and 2.

--------------ANSWER-4-ABOVE---------------

--------------ANSWER-5-BELOW---------------

Answer-to-Question-_5_

VAT grouping allows supplies between group members to be disregarded.

A TOGC which is made into a partially exempt VAT group will trigger a self-supply charge in the hands of the purchaser. PlanAInusrance is partially exempt, therefore the self supply charge has been considered below.

<u>TOGC</u>

The TOGC rules can apply in cases where a business is sold - which operates as such, and where the other conditions are met - these are known by PlanAInsurance. It will also only apply if the purchaser is to use the business for the same kind of business, as well as there not being a series of conseciutive transfers.

TOGCs are mandatory - i.e., if the conditions are met, you must treat it as a togc

Per the Intelligent Managed Services case, there can only be a TOGC where the TOGC acquisiton will result in supplies intra-group being used for the purposes of the group then making onward taxable supplies outside of the VAT group. Without this, it would not be regarded as a TOGC.

In this instance, it seems as though Here2Assist would provide services to PlanAInsurance which would use these services to make onward supplies outside of the

VAT group - the supplies cannot just be consumed by the VAT group with no flow-through to onward supplies. Therefore, on the basis the supplies are being made intra-VAT group for the purpose of making onward supplies out the Vat group, then the TOGC rules will apply.

Generally, VAT on costs incurred in relation to a TOGC is recovered in line with the business being acquired (for the seller Abbey National Case, for the buyer UBAF case).

PlanAInsurance as the buyer will be buying a fully taxable business, if it is to use this purchase for fully taxable purposes (ie for providing taxable customer service platform services) it could therefore argue full VAt recovery on costs associated with this acqusition. HMRC could challenge this and say that the costs relate to the VAt group as a whole, and is therefore a residual overhead and subject to the group's PE %. PlanAInsurance should, therefore ensure to document and demonstrate that any costs incurred on TOGC relate to taxable customer service platofrm services and are therefore recoverable - this must reflect commercial reality also - it would be worth drawing up some MSAs between the VAT group members as well as planned charges between the VAT group members to demonstrate from both a contractual (Newey t/a OceanFinance) and from an economic reality perspective (AirTours), that this is what is happening.

It will however need to consider any standard method override implications from a VAT perspective, where the use of the VAT incurred provides for a substaintially differenet VAT recovery vs. the values based method, an adjustment will need to be made in the PE workings.

<u>Share purchase</u>

The purchase of the shares will not be liable to VAT as the seller will not charge vat on the sale of shares, as it is exempt.

The purchase of the shares will be liable to SD at 0.5%.

Therefore £5m * 0.05% = £250k SD due. This needs to be reported and paid to HMRC within 14 days of purchase.

SDLT on property =

it is commercial, so commercial rates apply. (non-residential rates)

£600,000 ,

150k * 0% = 0
100k * 2% = £2,000
350k * 5% = £17,500 = £19,500 SDLT - report and pay to HMRc within 14 days of completion.

<u>Business + asset purchase</u>

Self supply on MV = Self supply will not apply to goodwill, or to cgs assets (ie the 600k proiperty) - it is not clear as the value of the goodwill. The charge will apply to the servers, as this is not a computer (as it is software not hardware) for cgs purpoises and individually these are under £50k.

The self supply will be on the amount of VAT which was saved on the TOGC into the PE VAT group - therefore puts PlanAInsurance in some position as if it had incurred VAT on the TOGC and then recovered based on 5% taxable use.

The self supply creates a VAT charge in box 1 - this is then recoverable per thye above (5%) per the taxable use of the box 1 charge.

PlanAInsurance will ALSO need to conisder the CGS implications of the £80k which was incurred on the new office building works by Here2Assist. It will takeover the CGS responsibiulity, assuming there are still intervals left (ie it is not older than 10 years), and will be required to adjust based on taxable use on the anniversary date from the togc.

There is, also some risk to consider as part of a TOGC. That is, you are aquiring the VAT history of a business and potentiially liabilties as well - therefore, this could prove to be more costly in the loing run, despite better intiial treatment through a TOGC.

Overall it seems as though there will be a smaller VAT cost in purchasing the shares of the company, rather than as a togc (as a result of the self supply charge). It is therefore advisable that PlanAInsurance proceeds with the share purchase and notifies HMRC of the relevant Stamp Duty filing/payments.

--------------ANSWER-5-ABOVE---------------

--------------ANSWER-6-BELOW---------------

Answer-to-Question-_6_

VAT

The construction costs of a holiday home can be ZR, under sch 8, grp 5, items 2 and 4 - as designed as a dwelling.

Services which are provided by a person constructing can be ZR.

Services provided by a person converting can be RR, if they relate to the fabric of the building (the RR is more narrow than the ZR provisons).

However, the onward sale of a holiday home would not get ZR if you are not able to occupy the home for the whole year (for example as a result of restrictions).

Materials supplied on their own for construction are alwyaas SR.

Carpets are subject to the blocking order, so no VAT can be recovered on these, despite being charged VAT on them.

As Ann is completing the construction works 'herself' she will need to utilise the DIY refund scheme to get VAT back on the VAT incurred across the construction of her holiday home. This needs to be done within 6 months of the completion of the buildigns - she will nedd to give hmrc a certificate of completion to demonstrate the works are finished. She may also need to proviude further evidence that the barn was

The conversion of the barn will qualify for the RR - as it is a non-residential building being converted into dwellings . The materials supplied alongside any RR works will also be subject to the RR.

Services of an architect/surveyor etc will be SR.

The supply of holiday accommodation, from the lets, will be SR as an override to the land exemption in sch 9 group 1 - this will not be the case though, if they are let with to the recipient for payment in the form of a premium - this would fall back into exemption and have i/t recovery im-plications for Ann.

Ann can therefore register for VAT from the date she forms the intention to make taxable supplies. It is recommended that she documents the intention, to demonstrate trading intention.

Costs of holiday home =

DIY as it is a dwelling for herself (see above points) =
construction, should be zr.
kitchen units = zr (incorporated)
bathroom units = zr (incorporated)
carpets = sr - blocked, not recoverable
architect fees = sr

Holoiday acommodation letting =

materials and labour for conversion (as dwellings) = rr

kitchen units = rr

batheroom units rr

carpers = sr, blocked not recoverable.

architect = sr

Option not effective

Generally, land which has been opted to tax will then be subject to VAT at 20%.

As Ann will be buying the land for conversion of the barn into dwellings (providing these meet the condition of a dwelling, ie self contained etc), the option to tax from the landowner will be disapplied - she needs to give the seller form 1614D for the option to be disapplied for the conversion. She needs to ensure to issue the certificate before the price becomes legally fixed (ie exchange of contracts usually) as otherwise the seller will not have to accept it.

In relaiton to the construction of her holiday home dwelling on the land, the option will also not apply to this - she does not need to issue a particular certificate for this, but should notfiy the seller that she is buying the land to construct dwelllings on.

SDLT

Where someone is purchasing an additional residential property, the SDLT rate will be increased by 3%. Ann is buying an additional property, so the SDLT rate will be increased by this amount - if the property is treated as residentyial property. She is also not a first time buyer as has a home already.

However,the purchase of land with a barn should constitue mixed use which provides for less SDLT than if buying a residential property on its own. Therefore the non-residential SDLT rates should apply to the whole transaction. This was successfully shown in the Withers case, where the taxpayer was successful in showing that part of the land was used for a bona fide commercial purpose.

There is some risk of challenge by HMRC, as HMRC could say that the purchase of the barn is residential (even if in need of repair/conversion, per the Mudan case, residential rates tend to apply in such an instance), and that the surrounding land is simply part of the purchase of the pruchase of the barn. Howveer, the fact that Ann has a clear intention to make business supplies (non-resi) it seems as though the non-residential rates should apply.

The fact that the option to tax on the sale to Ann will not be effective (as disapplied) will benefit Ann, as SDLT is calculated on a VAT inclusive price - therefore, no VAT means less SDLT.

Transactions for SDLT need to take place at amrket value - therefore, the supply to the previous landowner will need to have SDLT accounted for on it at MV - not a dsicounted rate. Therefore, the provision of the 5 year lease will need to have SDLT accounted for at MV based on the NPV of the lease rental