



HM Revenue
& Customs

Business, Assets and International
Stamp Taxes

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Date 12 May 2023

Dear [REDACTED]

Chartered Institute of Taxation and Stamp Taxes Practitioners Group Briefing: Stamp Duty Land Tax (Reduction) Bill

As you know, the Stamp Duty Land Tax (Temporary Relief) Act 2023 received Royal Assent on 8 February 2023. During Second Reading in the House of Lords, the Parliamentary Secretary to HM Treasury – Baroness Penn – gave a commitment that officials in HMRC and HM Treasury would engage with CIOT and the Stamp Taxes Practitioners Group (STPG) in relation to your joint Parliamentary briefing of 5 January 2023.

Further to some discussion between HMRC and members of both bodies, I am writing to you today with comments on those issues raised in the briefing. I will be sending a copy of this letter to Sean Randall in his capacity as Chairperson of the STPG, and to members of the HMRC Stamp Taxes Working Together group - where the briefing was recently discussed - ahead of their next meeting.

Buying through a nominee

We agree the current legislation as stated provides that a purchaser buying a dwelling by way of a grant of a new lease made via a nominee cannot obtain first time buyers relief, because of the rules contained within Schedule 16 Finance Act 2003 which relate to Trusts and Settlements. Further to discussions on this point at the last meeting of the Working Together group, we are considering the extent to which *Marshall v Kerr* applies to the legislation and will revert with our comments shortly.

Notwithstanding, we note the examples given at 2.1 and 2.2 of the briefing as well as the amendment suggested at 2.3. Matters around tax policy and legislation are for HM Treasury and we have passed your suggestion onto officials there.

Previous acquisition of a mixed-property

We note your comments around whether a previous acquisition of a mixed property prevents a person from being considered a first-time buyer for the purposes of the relief. Our view is that it does, and we will update our guidance shortly to make this clear.

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Previous acquisition of a part share in a dwelling

We note your comments around whether a previous acquisition of a part share in a dwelling constitutes a “major interest”, and whether such an acquisition prevents a person from being considered a first-time buyer. Our view is that it does, and we will update our guidance shortly to make this clear.

Previously acquiring a major interest in a dwelling

You raise the issue of purchasers buying property whilst acting in a fiduciary capacity and the availability of relief to them. Our position is that acquisitions of property made by trustees of a settlement in their capacity as trustees would not preclude them from qualifying for first time buyers relief in relation to personal purchases made by those individual trustees. We will update our guidance shortly to make this clear.

Kind Regards


Senior Policy Adviser