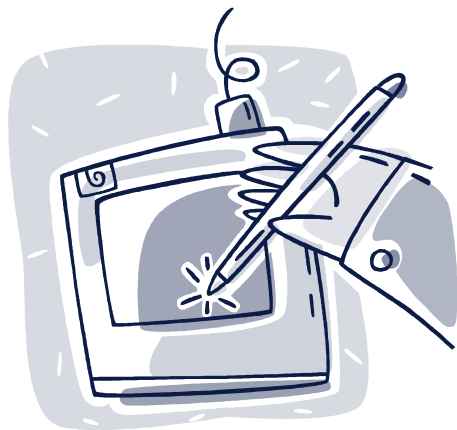


January 2006

from the Property Services Group

Submission of SDLT Returns made E-easy!



Significant difficulties have been experienced since the introduction of Stamp Duty Land Tax (“SDLT”) with the submission of paper SDLT returns. In particular, delays in the issue of SDLT Certificates for transactions, which (subject to certain limited exceptions) are required in order to register the title to any area of land purchased and any lease entered into, have been encountered. These delays have arisen as a result of errors in the Inland Revenue scanning system in reading paper returns and the issuing of automatic requests for further information by the Inland Revenue computer.

The Inland Revenue have now introduced their SDLT Online service in terms of which solicitors, as agents for their client, are entitled to submit SDLT returns electronically on behalf of clients.

It is envisaged, and our experience using the system so far confirms this, that the electronic submission of SDLT Returns will greatly reduce both the time taken for SDLT Certificates to be issued and the number of SDLT returns which are queried by the Inland Revenue. It is clearly for the benefit of purchasers of land for the SDLT Certificate to be issued as soon as possible in order to allow registration of title to proceed as there are inherent risks in the period between acquisition of a site and registration of title to that site.

For the above reasons, Paull & Williamson have decided as a firm to switch to electronic submission of SDLT Returns.

Under the new system electronic returns may only be submitted to the Inland Revenue by registered agents. Access to the system and the

ability to submit electronic returns is strictly controlled by means of User ID’s and confidential passwords

Clearly, solicitors do not have authority as a matter of course to submit these forms on behalf of clients and it will therefore be necessary to obtain the written authority of clients, in the case of each SDLT return to be submitted, to make the submission on their behalf.

The intention is that Paull & Williamson will prepare a draft SDLT Return online with the completed draft then being e-mailed in PDF form to the client with a request that they respond by e-mail confirming authority to submit the form.

By confirming authority to submit the return, clients will also be confirming to Paull & Williamson that the details of the transaction to which the form relates as contained on the draft form are a full and accurate disclosure of all material facts and circumstances relating to the transaction which might affect the client’s liability to pay Stamp Duty Land Tax. A similar declaration was contained in the paper form of SDLT return which previously required to be submitted to the Inland Revenue.

By confirming authority to submit the form, clients will also be confirming their authority for Paull & Williamson to complete the effective date of the transaction once this is confirmed.

At the present time actual payment of SDLT will follow the same procedure as before – Paull & Williamson will submit a cheque to the Inland Revenue for the correct amount of SDLT (once funds are received from the client) and this will be tied to the electronic form which was submitted by means of a unique transaction number provided by the Inland Revenue.

Clearly, Paull & Williamson will not be able to submit the electronic SDLT Return until we have the written authority to do so and it is important that we receive that written confirmation as soon as possible after it has been requested in order to avoid clients incurring any SDLT penalties and/or interest as a result of late submission of a Return and the risks involved in delayed registration of title.

Should you have any queries regarding the above procedure then please do not hesitate to contact any one of the Property Services Group Partners, being:-

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