

**EXPLANATORY MEMORANDUM TO THE  
STAMP DUTY LAND TAX (ELECTRONIC COMMUNICATIONS)  
REGULATIONS 2005**

**2005 No.844**

1. This explanatory memorandum has been prepared by the Inland Revenue and is laid before the House of Commons by Command of Her Majesty.
2. **Description**
  - 2.1 This instrument provides for electronic filing of Land Transaction Returns and for electronic payment of the associated Stamp Duty Land Tax ('SDLT').
3. **Matters of special interest to the Select Committee on Statutory Instruments**
  - 3.1 None
4. **Legislative Background**
  - 4.1 SDLT is a self-assessed tax which came into force on 1 December 2003. Self-assessments are made by the purchaser on a Land Transaction Return as prescribed by statutory instrument made under vires in paragraph 1(2), (3) and (4) Schedule 10 FA 2003. Regulations regarding the form of the return have been made in SI 2003/2837 (regulation 9 and Schedule 2).
  - 4.2 Currently the Inland Revenue can only receive Land Transaction Returns in paper form (either handwritten or as a printout of a return completed on-screen). However technology is now in place to offer a fully electronic channel from 6<sup>th</sup> April this year, similar to the existing e-filing process used by agents for income tax self-assessment.
  - 4.3 The legislation has been made under the vires of Sections 132 and 133 of Finance Act 1999 and is based closely on the existing Income and Corporation Taxes (Electronic Communications) Regulations 2003.
5. **Extent**
  - 5.1 This instrument applies to all of the United Kingdom.
6. **European Convention on Human Rights**

These regulations are subject to the negative resolution procedure, and do not amend primary legislation, accordingly no statement as to compatibility with the Convention rights is required.
7. **Policy background**
  - 7.1 From the outset, an important aim of a new, 'modernised' stamp duty has been to provide a fully electronic channel for filing returns and payment of tax, in line with wider Government policy and similar to existing facilities for other taxes.

7.2 HM Land Registry and the Register of Scotland have plans to introduce various systems for e-registration, e-lodgement and e-conveyancing within the next few years. Electronic filing of Land Transaction Returns is a major step towards integrating the information requirements of Stamp Duty Land Tax with those of the Land Registries and Valuation Office Agencies, and brings opportunities for joined-up and streamlined processes across the respective organisations.

## **8. Impact**

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

## **9. Contact**

Catherine Dampier at the Inland Revenue Tel: 020 7147 2812 or e-mail: Catherine.Dampier@ir.gsi.gov.uk can answer any queries regarding the instrument.