

Changes to legislation: Finance Act 2003, Cross Heading: Withdrawal of relief is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 4A

STAMP DUTY LAND TAX: HIGHER RATE FOR CERTAIN TRANSACTIONS

Textual Amendments

- F1** Sch. 4A inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 4](#)

Modifications etc. (not altering text)

- C1** Sch. 4A modified (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 40 para. 9\(3\)](#)
C1 Sch. 4A modified (temp.) (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 24 para. 3](#)

[^{F2}Withdrawal of relief

Textual Amendments

- F2** Sch. 4A paras. 5A-5K and cross-headings inserted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 40 para. 2\(4\)](#)

- 5G** (1) Sub-paragraph (2) applies where relief under paragraph 5 has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) a requirement in sub-paragraph (3) is not met.
- (3) The requirements are that—
- the higher threshold interest (if still held by the purchaser) is held exclusively for one or more of the purposes mentioned in paragraph 5(1),
 - any chargeable interest derived from the higher threshold interest that may be held by the purchaser is held exclusively for one or more of those purposes, and
 - (if the higher threshold interest or a chargeable interest derived from it is held by the purchaser) no non-qualifying individual is permitted to occupy [^{F3}any dwelling on the land].
- (4) The requirements in sub-paragraph (3)(a) and (b) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect the purposes for which the higher threshold interest was acquired to be carried out.

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- (5) Sub-paragraph (6) applies if a higher threshold interest was acquired for a purpose mentioned in paragraph 5(1) but at some time in the control period the activity in question (for instance, exploitation of the interest as mentioned in paragraph 5(1)(a))—
- (a) has not yet begun, or
 - (b) has ceased.
- (6) For the purposes of sub-paragraph (3), the interest is taken to be held for the purpose in question only if reasonable steps are being taken to ensure that the purpose in question is carried out.
- (7) In this paragraph “non-qualifying individual” (in relation to the chargeable transaction mentioned in sub-paragraph (1)) has the meaning given by paragraph 5A.

Textual Amendments

F3 Words in Sch. 4A para. 5G(3)(c) substituted (with effect in accordance with s. 129(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 129\(3\)](#)

- 5H (1) This paragraph applies where relief under paragraph 5B (trades involving making a dwelling open to the public) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) a requirement in sub-paragraph (3) is not met.
- (3) The requirements are that—
- (a) the higher threshold interest (if still held by the purchaser), is being exploited as a source of income in the course of a qualifying trade, and
 - (b) any chargeable interest derived from that interest that may be held by the purchaser is being exploited as mentioned in paragraph (a).
- (4) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser’s control, it is not reasonable to expect the chargeable interest concerned to be exploited in the manner specified.
- (5) Sub-paragraph (6) applies if at some time in the control period the higher threshold interest, or a chargeable interest derived from it—
- (a) has not begun to be exploited as mentioned in sub-paragraph (3), or
 - (b) has ceased to be so exploited.
- (6) The requirements in sub-paragraph (3) are treated as being met if reasonable steps are being taken to ensure that the chargeable interest in question begins to be exploited as mentioned in that sub-paragraph, or that such exploitation of the interest is resumed.
- 5I (1) This paragraph applies where relief under paragraph 5C (financial institutions acquiring dwellings in the course of lending) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.

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- (2) The relief is withdrawn if any requirement in sub-paragraph (3) is not met at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
- (a) the purchaser continues to be a financial institution carrying on a business that involves the lending of money, and
 - (b) the interest is held for the purpose of resale in the course of the business.
- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
- (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.
- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser’s control, it is not reasonable to expect those requirements to be met.
- [^{F4}5IA (1) This paragraph applies where relief under paragraph 5CA (acquisition under a regulated home reversion plan) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction the purchaser holds the higher threshold interest otherwise than for the purposes of the regulated home reversion plan (as defined in paragraph 5CA).
- (3) But sub-paragraph (2) does not apply if—
- (a) after ceasing to hold the higher threshold interest for the purposes of the regulated home reversion plan, the purchaser sells the higher threshold interest without delay (except so far as delay is justified by commercial considerations or cannot be avoided), and
 - (b) at no time when the higher threshold interest is held by the purchaser as mentioned in sub-paragraph (2) is the dwelling (or any part of the dwelling) occupied by a non-qualifying individual.
- (4) In this paragraph—
- “the dwelling” means the dwelling to which the relief under paragraph 5CA relates;
 - “non-qualifying individual” is to be interpreted in accordance with paragraph 5A.]

Textual Amendments

F4 Sch. 4A para. 5IA inserted (with effect in accordance with s. 130(4) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 130\(3\)](#)

- 5J (1) This paragraph applies where relief under paragraph 5D (dwellings for occupation by certain employees etc) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.

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- (2) The relief is withdrawn if any requirement in sub-paragraph (3) is not met at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
- (a) the purchaser, or a relevant group member (as defined in paragraph 5D(6)), carries on a [^{F5}relievable business],
 - (b) the dwelling is made available as mentioned in paragraph 5D(2)(a), and
 - (c) the dwelling is made so available for purposes that are solely or mainly purposes of the [^{F6}relievable business].
- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
- (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.
- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect those requirements to be met.
- (6) Sub-paragraph (7) applies if at some time in the control period the dwelling—
- (a) has not begun to be made available as mentioned in sub-paragraph (3)(b) and (c), or
 - (b) has ceased to be so made available.
- (7) The requirements in paragraphs (b) and (c) of sub-paragraph (3) are treated as being met if reasonable steps are being taken to ensure that the dwelling will begin to be, or will return to being, available as mentioned in those paragraphs.

Textual Amendments

- F5** Words in Sch. 4A para. 5J(3)(a) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(7\)\(a\)](#)
- F6** Words in Sch. 4A para. 5J(3)(c) substituted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(7\)\(b\)](#)

- [^{F7}5JA (1) This paragraph applies where relief under paragraph 5EA (acquisition by management company of flat for occupation by caretaker) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction the purchaser holds the higher threshold interest otherwise than for the purpose of making the flat available for use as caretaker accommodation.
- (3) For the purposes of this paragraph a tenants' management company makes a flat available for use “as caretaker accommodation” if it makes it available to an individual for use as living accommodation in connection with the individual's employment as caretaker of the premises.]

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Textual Amendments

F7 Sch. 4A para. 5JA inserted (with effect in accordance with s. 131(10) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 131\(5\)](#)

- 5K (1) This paragraph applies where relief under paragraph 5F (farmhouses) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) The relief is withdrawn if at any time in the period of three years beginning with the effective date of the chargeable transaction (“the control period”) the requirements in sub-paragraph (3) are not met (but see sub-paragraphs (4) and (5)).
- (3) The requirements are that—
- (a) the land mentioned in paragraph 5F(2) is occupied for the purposes of a qualifying trade of farming, and
 - (b) the dwelling is occupied for the purposes of that trade by a qualifying farm worker.
- (4) The requirements in sub-paragraph (3) apply only to times in the control period when the purchaser holds—
- (a) the higher threshold interest, or
 - (b) a chargeable interest that is derived from the higher threshold interest.
- (5) The requirements in sub-paragraph (3) do not apply in relation to times when, because of a change of circumstances that is unforeseen and beyond the purchaser’s control, it is not reasonable to expect those requirements to be met.
- (6) Sub-paragraph (7) applies if at some time in the control period a requirement in sub-paragraph (3)—
- (a) has not begun to be met, or
 - (b) has ceased to be met.
- (7) The requirement is treated as being met if reasonable steps are being taken to ensure that the requirement begins to be met, or is again met.]
- [^{F8}5L (1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.
- (2) References in this paragraph to a qualifying housing body are to—
- (a) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
 - (b) a registered provider of social housing, or
 - (c) a registered social landlord.
- (3) The relief under paragraph 5FA is withdrawn (subject to sub-paragraph (4)) if—
- (a) on any day in the period of three years beginning with the effective date of the chargeable transaction (“the control period”), the purchaser is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the purchaser still holds the higher threshold interest or holds a chargeable interest derived from it.

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- (4) If, on any day in the control period, the purchaser is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—
- (a) another person (“the first successor”) has succeeded to the engagements of the purchaser, and
 - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (7)).
- (5) Condition A is that, on the day the first successor succeeds to the engagements of the purchaser (“the day of succession”), the first successor is not a qualifying housing body.
- (6) Condition B is that—
- (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the first successor still holds the higher threshold interest or holds a chargeable interest derived from it.
- (7) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue of sub-paragraph (4) if references in sub-paragraphs (4) to (6)—
- (a) to the purchaser were references to the first successor, and
 - (b) to the first successor were references to the person who has succeeded to the engagements of the first successor (“the second successor”).
- (8) Sub-paragraph (7) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.]]

Textual Amendments

- F8** Sch. 4A para. 5L inserted (with effect in accordance with s. 89(4) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), s. 89(2)

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)