

SCHEDULES

[F1]SCHEDULE 4ZA

STAMP DUTY LAND TAX: HIGHER RATES FOR ADDITIONAL DWELLINGS AND DWELLINGS PURCHASED BY COMPANIES

Textual Amendments	
F1	Sch. 4ZA inserted (with effect in accordance with s. 128(5)(6) of the amending Act) by Finance Act 2016 (c. 24), s. 128(3) (with s. 128(9)(10))
Modifications etc. (not altering text)	
C1	Sch. 4ZA modified (temp.) (22.7.2020) by Stamp Duty Land Tax (Temporary Relief) Act 2020 (c. 15), s. 1 (as amended 10.6.2021) by 2021 c. 26, s. 87(2))
C2	Sch. 4ZA modified (temp.) (8.2.2023) by Stamp Duty Land Tax (Temporary Relief) Act 2023 (c. 2), s. 1

PART 1

HIGHER RATES

- 1
- (1) In its application for the purpose of determining the amount of tax chargeable in respect of a chargeable transaction which is a higher rates transaction, section 55 (amount of tax chargeable: general) has effect with the modification in subparagraph (2).

(2) In subsection (1B) of section 55, for Table A substitute—

“TABLE A: RESIDENTIAL

Relevant consideration	Percentage
So much as does not exceed £125,000	3%
So much as exceeds £125,000 but does not exceed £250,000	5%
So much as exceeds £250,000 but does not exceed £925,000	8%
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%”

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PART 2

MEANING OF “HIGHER RATES TRANSACTION”

Meaning of “higher rates transaction” etc

- 2 (1) This paragraph explains how to determine whether a chargeable transaction is a “higher rates transaction” for the purposes of paragraph 1.
- (2) In the case of a transaction where there is only one purchaser, determine whether the transaction falls within any of paragraphs 3 to 7; if it does fall within any of those paragraphs it is a “higher rates transaction” (otherwise it is not).
- (3) In the case of a transaction where there are two or more purchasers—
- (a) take one of the purchasers and determine, having regard to that purchaser only, whether the transaction falls within any of paragraphs 3 to 7, and
 - (b) do the same with each of the other purchasers.

If the transaction falls within any of those paragraphs when having regard to any one of the purchasers it is a “higher rates transaction” (otherwise it is not).

[Sub-paragraphs (2) and (3) are subject to paragraph 9A (spouses and civil partners ^{F2}(3A) purchasing from one another).]

- (4) For the purposes of this Schedule any term of years absolute or leasehold estate is not a “major interest” if its term does not exceed 7 years on the date of its grant.

[References in this Schedule to a major interest in a dwelling include an undivided ^{F3}(5) share in a major interest in a dwelling.]

Textual Amendments

- F2** Sch. 4ZA para. 2(3A) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 7](#)
- F3** [Sch. 4ZA para. 2\(5\)](#) inserted (with effect in accordance with s. 44(3) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [s. 44\(2\)](#)

Single dwelling transactions

- 3 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is an individual,
 - (b) the main subject-matter of the transaction consists of a major interest in a single dwelling (“the purchased dwelling”), and
 - (c) Conditions A to D are met.

[But sub-paragraph (1) is subject to paragraph 7A.]

^{F4}(1A)

- (2) Condition A is that the chargeable consideration for the transaction is £40,000 or more.

- (3) Condition B is that on the effective date of the transaction the purchased dwelling—
- (a) is not subject to a lease upon which the main subject-matter of the transaction is reversionary, or

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- (b) is subject to such a lease but the lease has an unexpired term of no more than 21 years.
- (4) Condition C is that at the end of the day that is the effective date of the transaction—
 - (a) the purchaser has a major interest in a dwelling other than the purchased dwelling,
 - (b) that interest has a market value of £40,000 or more, and
 - (c) that interest is not reversionary on a lease which has an unexpired term of more than 21 years.
- (5) Condition D is that the purchased dwelling is not a replacement for the purchaser's only or main residence.
- (6) For the purposes of sub-paragraph (5) the purchased dwelling is a replacement for the purchaser's only or main residence if—
 - (a) on the effective date of the transaction (“the transaction concerned”) the purchaser intends the purchased dwelling to be the purchaser's only or main residence,
 - (b) in another land transaction (“the previous transaction”) whose effective date was during the period of three years ending with the effective date of the transaction concerned, the purchaser or the purchaser's spouse or civil partner at the time disposed of a major interest in another dwelling (“the sold dwelling”),
 - [immediately after the effective date of the previous transaction, neither the purchaser nor the purchaser's spouse or civil partner had a major interest in the sold dwelling.]
 - (c) at any time during [F⁶the period of three years referred to in paragraph (b)] the sold dwelling was the purchaser's only or main residence, and
 - (d) at no time during the period beginning with the effective date of the previous transaction and ending with the effective date of the transaction concerned has the purchaser or the purchaser's spouse or civil partner acquired a major interest in any other dwelling with the intention of it being the purchaser's only or main residence.

[Sub-paragraph (6)(ba) does not apply in relation to a spouse or civil partner of the F⁷(6A) purchaser if the two of them were not living together (see paragraph 9(3)) on the effective date of the transaction concerned.]

- (7) For the purposes of sub-paragraph (5) the purchased dwelling [F⁸is also] a replacement for the purchaser's only or main residence if—
 - (a) on the effective date of the transaction (“the transaction concerned”) the purchaser intended the purchased dwelling to be the purchaser's only or main residence,
 - (b) in another land transaction whose effective date is during [F⁹a permitted period], the purchaser or the purchaser's spouse or civil partner disposes of a major interest in another dwelling (“the sold dwelling”),
 - [immediately after the effective date of that other land transaction, neither the purchaser nor the purchaser's spouse or civil partner has a major interest in the sold dwelling.] and
 - (c) at any time during the period of three years ending with the effective date of the transaction concerned the sold dwelling was the purchaser's only or main residence.

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[For the purposes of sub-paragraph (7)(b), the permitted periods are—

- ^{F11}(7A) (a) the period of three years beginning with the day after the effective date of the transaction concerned, or
- (b) if HMRC are satisfied that the purchaser or the purchaser's spouse or civil partner would have disposed of the major interest in the sold dwelling within that three year period but was prevented from doing so by exceptional circumstances that could not reasonably have been foreseen, such longer period as HMRC may allow in response to an application made in accordance with sub-paragraph (7B).

(7B) An application for the purposes of sub-paragraph (7A)(b) must—

- (a) be made within the period of 12 months beginning with the effective date of the transaction disposing of the major interest in the sold dwelling, and
- (b) be made in such form and manner, and contain such information, as may be specified by HMRC.

(7C) Schedule 11A (claims not included in returns) does not apply in relation to an application made in accordance with sub-paragraph (7B).]

[Sub-paragraph (7)(ba) does not apply in relation to a spouse or civil partner of the ^{F12}(8) purchaser if the two of them are not living together (see paragraph 9(3)) on the effective date of that other land transaction.]

Textual Amendments

- F4** Sch. 4ZA para. 3(1A) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 8\(2\)](#)
- F5** Sch. 4ZA para. 3(6)(ba) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 2\(2\)\(a\)](#)
- F6** Words in Sch. 4ZA para. 3(6)(c) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 2\(2\)\(b\)](#)
- F7** Sch. 4ZA para. 3(6A) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 2\(3\)](#)
- F8** Words in Sch. 4ZA para. 3(7) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 8\(3\)](#)
- F9** Words in Sch. 4ZA para. 3(7)(b) substituted (with effect in accordance with [s. 76\(4\)](#) of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [s. 76\(2\)\(a\)](#)
- F10** Sch. 4ZA para. 3(7)(ba) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 2\(4\)](#)
- F11** Sch. 4ZA para. 3(7A)-(7C) inserted (with effect in accordance with [s. 76\(4\)](#) of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [s. 76\(2\)\(b\)](#)
- F12** Sch. 4ZA para. 3(8) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 2\(5\)](#)

4

A chargeable transaction falls within this paragraph if—

- (a) the purchaser is not an individual,
- (b) the main subject-matter of the transaction consists of a major interest in a single dwelling, and
- (c) Conditions A and B in paragraph 3 are met.

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Multiple dwelling transactions

- 5 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is an individual,
 - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”), and
 - (c) at least two of the purchased dwellings meet conditions A, B and C.
- (2) A purchased dwelling meets condition A if the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to the purchased dwelling is £40,000 or more.
- (3) A purchased dwelling meets condition B if on the effective date of the transaction the purchased dwelling—
- (a) is not subject to a lease upon which the main subject-matter of the transaction is reversionary, or
 - (b) is subject to such a lease but the lease has an unexpired term of no more than 21 years.
- (4) A purchased dwelling meets condition C if it is not subsidiary to any of the other purchased dwellings.
- (5) One of the purchased dwellings (“dwelling A”) is subsidiary to another of the purchased dwellings (“dwelling B”) if—
- (a) dwelling A is situated within the grounds of, or within the same building as, dwelling B, and
 - (b) the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to dwelling B is equal to, or greater than, two thirds of the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to the following combined—
 - (i) dwelling A,
 - (ii) dwelling B, and
 - (iii) each of the other purchased dwellings (if any) which are situated within the grounds of, or within the same building as, dwelling B.
- 6 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is an individual,
 - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”),
 - (c) only one of the purchased dwellings meets conditions A, B and C,
 - (d) the purchased dwelling which meets those conditions is not a replacement for the purchaser's only or main residence, and
 - (e) at the end of the day that is the effective date of the transaction—
 - (i) the purchaser has a major interest in a dwelling other than one of the purchased dwellings,
 - (ii) that interest has a market value of £40,000 or more, and
 - (iii) that interest is not reversionary on a lease which has an unexpired term of more than 21 years.

[But sub-paragraph (1) is subject to paragraph 7A.]

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- (2) Sub-paragraphs (2) to (5) of paragraph 5 apply for the purposes of sub-paragraph (1)(c) of this paragraph as they apply for the purposes of sub-paragraph (1)(c) of that paragraph.
- (3) Sub-paragraphs (6) [^{F14}to (8)] of paragraph 3 apply for the purposes of sub-paragraph (1)(d) of this paragraph as they apply for the purposes of sub-paragraph (5) of that paragraph.

Textual Amendments

- F13** Sch. 4ZA para. 6(1A) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 9\(a\)](#)
- F14** Words in [Sch. 4ZA para. 6\(3\)](#) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 9\(b\)](#)

- 7 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is not an individual,
 - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”), and
 - (c) at least one of the purchased dwellings meets conditions A and B.
- (2) Sub-paragraphs (2) and (3) of paragraph 5 apply for the purposes of sub-paragraph (1)(c) of this paragraph as they apply for the purposes of sub-paragraph (1)(c) of that paragraph.

^{F15}Exception where purchaser has prior interest in purchased dwelling

Textual Amendments

- F15** [Sch. 4ZA para. 7A](#) and cross-heading inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 3](#)

- 7A (1) A chargeable transaction which would (but for this paragraph) fall within paragraph 3 or paragraph 6 does not fall within that paragraph if—
- (a) the purchaser had a major interest (“the prior interest”) in the relevant purchased dwelling immediately before the effective date of the transaction, and
 - (b) the relevant purchased dwelling had been the purchaser's only or main residence throughout the period of three years ending with the effective date of the transaction.
- (2) Sub-paragraph (1) does not apply if—
- (a) the prior interest is a term of years absolute or a leasehold estate, and
 - (b) immediately before the effective date of the transaction, the remaining term of the prior interest is less than 21 years.
- (3) Sub-paragraph (1) does not apply if immediately before the effective date of the transaction—
- (a) the purchaser is beneficially entitled as a joint tenant to the prior interest, and
 - (b) there are more than three other joint tenants.

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- (4) Sub-paragraph (1) does not apply if immediately before the effective date of the transaction the purchaser is beneficially entitled as a tenant in common or coparcener to less than a quarter of the prior interest.
- (5) In this paragraph “relevant purchased dwelling” means—
- (a) the purchased dwelling mentioned in paragraph 3(1)(b), or (as the case may be)
 - (b) the purchased dwelling which meets the conditions mentioned in paragraph 6(1)(c).]

PART 3

SUPPLEMENTARY PROVISIONS

Further provision in connection with paragraph 3(6) and (7)

- 8 (1) This paragraph applies where by reason of paragraph 3(7) a chargeable transaction (“the transaction concerned”) [F16is not] a higher rates transaction for the purposes of paragraph 1.
- (2) The land transaction (“the subsequent transaction”) by reference to which the condition in paragraph 3(7)(b) [F17is] met may not be taken into account for the purposes of paragraph 3(6)(b) in determining whether any other chargeable transaction is a higher rates transaction.
- (3) A land transaction return in respect of the transaction concerned may be amended, to take account of [F18the application of paragraph 3(7)] [F19by virtue of paragraph 3(7A)(a)], at any time within [F20the period of 12 months beginning with—
- (a) the effective date of the subsequent transaction, or
 - (b) if later, the filing date for the return.]
- (4) Where a land transaction return in respect of the transaction concerned is amended to take account of [F21the application of paragraph 3(7)] [F22by virtue of paragraph 3(7A)(a)] (and not for any other reason), paragraph 6(2A) of Schedule 10 (notice of amendment of return to be accompanied by the contract for the transaction etc) does not apply in relation to the amendment.
- [Where HMRC grant an application made in accordance with paragraph 3(7B)—
- F23(5) (a) the land transaction return in respect of the transaction concerned is treated as having been amended to take account of the application of paragraph 3(7) by virtue of paragraph 3(7A)(b), and
- (b) HMRC must notify the purchaser accordingly.]

Textual Amendments

- F16** Words in Sch. 4ZA para. 8(1) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 10\(a\)](#)
- F17** Word in Sch. 4ZA para. 8(2) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 10\(b\)](#)
- F18** Words in Sch. 4ZA para. 8(3) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 10\(c\)](#)

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- F19** Words in Sch. 4ZA para. 8(3) inserted (with effect in accordance with s. 76(4) of the amending Act) by Finance Act 2020 (c. 14), s. 76(3)(a)
- F20** Words in Sch. 4ZA para. 8(3) substituted (with effect in accordance with s. 44(5) of the amending Act) by Finance Act 2019 (c. 1), s. 44(4)
- F21** Words in Sch. 4ZA para. 8(4) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), Sch. 11 para. 10(d)
- F22** Words in Sch. 4ZA para. 8(4) inserted (with effect in accordance with s. 76(4) of the amending Act) by Finance Act 2020 (c. 14), s. 76(3)(b)
- F23** Sch. 4ZA para. 8(5) inserted (with effect in accordance with s. 76(4) of the amending Act) by Finance Act 2020 (c. 14), s. 76(3)(c)

Spouses and civil partners purchasing alone

- 9 (1) Sub-paragraph (2) applies in relation to a chargeable transaction if—
- (a) the purchaser (or one of them) is married or in a civil partnership on the effective date,
 - (b) the purchaser and the purchaser's spouse or civil partner are living together on that date, and
 - (c) the purchaser's spouse or civil partner is not a purchaser in relation to the transaction.
- (2) The transaction is to be treated as being a higher rates transaction for the purposes of paragraph 1 if it would have been a higher rates transaction had the purchaser's spouse or civil partner been a purchaser.
- (3) Persons who are married to, or are civil partners of, each other are treated as living together for the purposes of this [^{F24}Schedule] if they are so treated for the purposes of the Income Tax Acts (see section 1011 of the Income Tax Act 2007).

Textual Amendments

- F24** Word in Sch. 4ZA para. 9(3) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), Sch. 11 para. 11

[^{F25}Spouses and civil partners purchasing from one another

Textual Amendments

- F25** Sch. 4ZA para. 9A and cross-heading inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), Sch. 11 para. 4

- 9A (1) A chargeable transaction is not a higher rates transaction for the purposes of paragraph 1 if—
- (a) there is only one purchaser,
 - (b) there is only one vendor, and
 - (c) on the effective date of the transaction the two of them are—
 - (i) married to, or civil partners of, each other, and
 - (ii) living together (see paragraph 9(3)).
- (2) Where—

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- (a) there are two purchasers in relation to a chargeable transaction, and
 - (b) one of them (“P”) is also the vendor in relation to the transaction,
- P is to be treated for the purposes of sub-paragraph (1) as not being a purchaser.

(3) Where—

- (a) there are two vendors in relation to a chargeable transaction, and
 - (b) one of them (“V”) is also the purchaser in relation to the transaction,
- V is to be treated for the purposes of sub-paragraph (1) as not being a vendor.]

[^{F26}Property adjustment on divorce, dissolution of civil partnership etc

Textual Amendments

F26 Sch. 4ZA para. 9B and cross-heading inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), Sch. 11 para. 5

9B (1) This paragraph applies where—

- (a) a person (“A”) has a major interest in a dwelling,
- (b) a property adjustment order has been made in respect of the interest for the benefit of another person (“B”), and
- (c) the dwelling—
 - (i) is B's only or main residence, and
 - (ii) is not A's only or main residence.

(2) A is to be treated for the purposes of this Schedule as not having the interest in the dwelling.

(3) “Property adjustment order” means—

- (a) an order under section 24(1)(b) of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
- (b) an order under section 17(1)(a)(ii) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce) corresponding to such an order as is mentioned in paragraph (a),
- (c) an order under Article 26(1)(b) of the Matrimonial Causes (Northern Ireland) Order 1978 (property adjustment orders in connection with divorce proceedings etc),
- (d) an order under Article 21(a)(ii) of the Matrimonial and Family Proceedings (Northern Ireland) Order 1989 (property adjustment orders after overseas divorce) corresponding to such an order as is mentioned in paragraph (c),
- (e) an order under paragraph 7(1)(b) of Schedule 5 or paragraph 7(1)(b) of Schedule 15 to the Civil Partnership Act 2004 (property adjustment orders in connection with dissolution etc of civil partnership), or
- (f) an order under paragraph 9 of Schedule 7 or paragraph 9 of Schedule 17 to the Civil Partnership Act 2004 (property adjustment orders in connection with overseas dissolution etc of civil partnership) corresponding to such an order as is mentioned in paragraph (e).]

Settlements and bare trusts

10 (1) Sub-paragraph (3) applies in relation to a land transaction if—

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- (a) the main subject-matter of the transaction consists of a major interest in one or more dwellings,
 - (b) the purchaser (or one of them) is acting as trustee of a settlement, and
 - (c) under the terms of the settlement a beneficiary will be entitled to—
 - (i) occupy the dwelling or dwellings for life, or
 - (ii) income earned in respect of the dwelling or dwellings.
 - (2) Sub-paragraph (3) also applies in relation to a land transaction if—
 - (a) the main subject-matter of the transaction consists of a term of years absolute in a dwelling, and
 - (b) the purchaser (or one of them) is acting as a trustee of a bare trust.
 - (3) Where this sub-paragraph applies in relation to a land transaction the beneficiary of the settlement or bare trust (rather than the trustee) is to be treated for the purposes of this Schedule as the purchaser (or as one of them).
 - (4) Paragraphs 3(3) and 4 of Schedule 16 (trustees to be treated as the purchaser) have effect subject to sub-paragraph (3).
- 11 (1) Sub-paragraph (3) applies where—
- (a) a person is a beneficiary under a settlement,
 - (b) a major interest in a dwelling forms part of the trust property, and
 - (c) under the terms of the settlement, the beneficiary is entitled to—
 - (i) occupy the dwelling for life, or
 - (ii) income earned in respect of the dwelling.
- (2) Sub-paragraph (3) also applies where—
- (a) a person is a beneficiary under a bare trust, and
 - (b) a term of years absolute in a dwelling forms part of the trust property.
- (3) Where this sub-paragraph applies—
- (a) the beneficiary is to be treated for the purposes of this Schedule as holding the interest in the dwelling, and
 - (b) if the trustee of the settlement or bare trust disposes of the interest, the beneficiary is to be treated for the purposes of this Schedule as having disposed of it.
- 12 (1) This paragraph applies where, by reason of paragraph 10 or 11 or paragraph 3(1) of Schedule 16, the child of a person (“P”) would (but for this paragraph) be treated for the purposes of this Schedule as—
- (a) being the purchaser in relation to a land transaction,
 - (b) holding an interest in a dwelling, or
 - (c) having disposed of an interest in a dwelling.
- [But this paragraph does not apply if the trustee (or any of the trustees) of the
- ^{F27}(1A) settlement or bare trust concerned—
- (a) was the purchaser in relation to the land transaction,
 - (b) holds the interest in the dwelling, or
 - (c) disposed of the interest in the dwelling,
- in the exercise of powers conferred on the trustee by reason of a relevant court appointment made in respect of the child concerned.

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(1B) In sub-paragraph (1A) “relevant court appointment” means—

- (a) an appointment under section 16 of the Mental Capacity Act 2005,
- (b) an appointment under section 113 of the Mental Capacity Act (Northern Ireland) 2016, or
- (c) an equivalent appointment under the law of a country or territory outside England, Wales and Northern Ireland.]

(2) Where this paragraph applies—

- (a) P and any [^{F28}relevant] spouse or civil partner of P are to be treated for the purposes of this Schedule as being the purchaser, holding the interest or (as the case may be) having disposed of the interest, and
- (b) the child is not to be so treated.

[^{F29}(3) For the purposes of sub-paragraph (2) a spouse or civil partner of P is “relevant” if the spouse or civil partner—

- (a) is not a parent of the child, and
- (b) is living together with P (see paragraph 9(3)).]

^{F30}(4)

(5) “Child” means a person under the age of 18.

Textual Amendments

- F27** Sch. 4ZA para. 12(1A)(1B) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), **Sch. 11 para. 6(1)**
- F28** Word in Sch. 4ZA para. 12(2)(a) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), **Sch. 11 para. 12(2)**
- F29** Sch. 4ZA para. 12(3) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by Finance Act 2018 (c. 3), **Sch. 11 para. 12(3)**
- F30** Sch. 4ZA para. 12(4) omitted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by virtue of Finance Act 2018 (c. 3), **Sch. 11 para. 12(4)**

13 (1) This paragraph applies in relation to a land transaction if—

- (a) the main subject-matter of the transaction consists of a major interest in one or more dwellings,
- (b) the purchaser (or one of them) is acting as trustee of a settlement,
- (c) that purchaser is an individual, and
- (d) under the terms of the settlement a beneficiary is not entitled to—
 - (i) occupy the dwelling or dwellings for life, or
 - (ii) income earned in respect of the dwelling or dwellings.

(2) In determining whether the transaction falls within paragraph 4 or paragraph 7—

- (a) if the purchaser mentioned in sub-paragraph (1) is the only purchaser, ignore paragraph (a) of those paragraphs, and
- (b) if that purchaser is not the only purchaser, ignore paragraph (a) of those paragraphs when having regard to that purchaser.

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Partnerships

- 14 (1) Sub-paragraph (2) applies in relation to a chargeable transaction whose subject-matter consists of a major interest in one or more dwellings if—
- (a) the purchaser (or one of them) is a partner in a partnership, but
 - (b) the purchaser does not enter into the transaction for the purposes of the partnership.
- (2) For the purposes of determining whether the transaction falls within paragraph 3 or 6 any major interest in any other dwelling that is held by or on behalf of the partnership for the purposes of a trade carried on by the partnership is not to be treated as held by or on behalf of the purchaser.
- (3) Paragraph 2(1)(a) of Schedule 15 (chargeable interests held by partnerships treated as held by the partners) has effect subject to sub-paragraph (2).

Alternative finance arrangements

- 15 (1) This paragraph applies in relation to a chargeable transaction which is the first transaction under an alternative finance arrangement entered into between a person and a financial institution.
- (2) The person (rather than the institution) is to be treated for the purposes of this Schedule as the purchaser in relation to the transaction.
- (3) In this paragraph—
- “alternative finance arrangement” means an arrangement of a kind mentioned in section 71A(1) or 73(1);
 - “financial institution” has the meaning it has in those sections (see section 73BA);
 - “first transaction”, in relation to an alternative finance arrangement, has the meaning given by section 71A(1)(a) or (as the case may be) section 73(1)(a)(i).

Major interests in dwellings inherited jointly

- 16 (1) This paragraph applies where by virtue of an inheritance—
- (a) a person (“P”) becomes jointly entitled with one or more other persons to a major interest in a dwelling, and
 - (b) P’s beneficial share in the interest does not exceed 50% (see sub-paragraph (4)).
- (2) P is not to be treated for the purposes of paragraph 3(4)(a) or 6(1)(e) as having the major interest at any time during the period of three years beginning with the date of the inheritance.
- (3) But if at any time during that period of three years P becomes the only person beneficially entitled to the whole of the interest or P’s beneficial share in the interest exceeds 50% P is, from that time, to be treated as having the major interest for the purposes of paragraph 3(4)(a) and 6(1)(e) (subject to any disposal by P).
- (4) P’s share in the interest exceeds 50% if—
- (a) P is beneficially entitled as a tenant in common or coparcener to more than half the interest,

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- (b) P and P's spouse or civil partner taken together are beneficially entitled as tenants in common or coparceners to more than half the interest, or
 - (c) P and P's spouse or civil partner are beneficially entitled as joint tenants to the interest and there is no more than one other joint tenant who is so entitled.
- (5) In this section “inheritance” means the acquisition of an interest in or towards satisfaction of an entitlement under or in relation to the will of a deceased person, or on the intestacy of a deceased person.

Dwellings outside England,^{F31} ... and Northern Ireland

Textual Amendments

F31 Word in Sch. 4ZA para. 17 cross-heading omitted (with effect in accordance with [Sch. 11 para. 16\(4\)](#) of the amending Act) by virtue of [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 13](#)

- 17 (1) In the provisions of this Schedule specified in sub-paragraph (3), references to a “dwelling” include references to a dwelling situated in a country or territory outside England^{F32} ... and Northern Ireland.

[In the application of those provisions in relation to a dwelling situated in Wales—

- ^{F33}(1A) (a) references to a “major interest” in the dwelling are to an interest in the dwelling of a kind mentioned in section 117(2),
- (b) references to a “land transaction” in relation to the dwelling are to the acquisition of an interest in the dwelling, and
- (c) references to the “effective date” of a land transaction in relation to the dwelling are to the date on which the interest in the dwelling is acquired.]

- (2) In the application of those provisions in relation to a dwelling situated in a country or territory outside England, Wales and Northern Ireland—

- (a) references to a “major interest” in the dwelling are to an equivalent interest in the dwelling under the law of that country or territory,
- (b) references to persons being beneficially entitled as joint tenants, tenants in common or coparceners to an interest in the dwelling are to persons having an equivalent entitlement to the interest in the dwelling under the law of that country or territory,
- (c) references to a “land transaction” in relation to the dwelling are to the acquisition of an interest in the dwelling under the law of that country or territory,
- (d) references to the “effective date” of a land transaction in relation to the dwelling are to the date on which the interest in the dwelling is acquired under the law of that country or territory,
- (e) references to “inheritance” are to the acquisition of an interest from a deceased person's estate in accordance with the laws of that country or territory concerning the inheritance of property.

- (3) The provisions of this Schedule referred to in sub-paragraphs (1)[^{F34}, (1A)] and (2) are—

- (a) paragraph 3(4), (6)(b)[^{F35}, (ba)], (c) and (d) and (7)(b)[^{F36}, (ba)] and (c),
- (b) paragraph 6(1)(e),
- [paragraph 9B,]

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^{F37}(ba)

- (c) paragraph 11,
- (d) paragraph 14(2), and
- (e) paragraph 16.

(4) Where the child of a person (“P”) has an interest in a dwelling which is situated in a country or territory outside England^{F38}... and Northern Ireland, P and any [^{F39}relevant] spouse or civil partner of P are to be treated for the purposes of this Schedule as having that interest.

[^{F40}(5) For the purposes of sub-paragraph (4) a spouse or civil partner of P is “relevant” if the spouse or civil partner—

- (a) is not a parent of the child, and
- (b) is living together with P (see paragraph 9(3)).]

[Sub-paragraph (4) does not apply if the interest in the dwelling was acquired in
^{F41}(5A) the child's name or on the child's behalf by a person acting in exercise of powers conferred on that person by reason of a relevant court appointment made in respect of the child.

(5B) In sub-paragraph (5A) “relevant court appointment” has the meaning given by paragraph 12(1B).]

^{F42}(6)

Textual Amendments

- F32** Word in Sch. 4ZA para. 17(1) omitted (with effect in accordance with Sch. 11 para. 16(4) of the amending Act) by virtue of [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(2\)](#)
- F33** Sch. 4ZA para. 17(1A) inserted (with effect in accordance with Sch. 11 para. 16(4) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(3\)](#)
- F34** Word in Sch. 4ZA para. 17(3) inserted (with effect in accordance with Sch. 11 para. 16(4) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(4\)\(a\)](#)
- F35** Word in Sch. 4ZA para. 17(3)(a) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(4\)\(b\)\(i\)](#)
- F36** Word in Sch. 4ZA para. 17(3)(a) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(4\)\(b\)\(ii\)](#)
- F37** Sch. 4ZA para. 17(3)(ba) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(4\)\(c\)](#)
- F38** Word in Sch. 4ZA para. 17(4) omitted (with effect in accordance with Sch. 11 para. 16(4) of the amending Act) by virtue of [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(5\)\(a\)](#)
- F39** Word in Sch. 4ZA para. 17(4) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(5\)\(b\)](#)
- F40** Sch. 4ZA para. 17(5) substituted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(6\)](#)
- F41** Sch. 4ZA para. 17(5A)(5B) inserted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 6\(2\)](#)
- F42** Sch. 4ZA para. 17(6) omitted (with effect in accordance with Sch. 11 para. 16(1)-(3) of the amending Act) by virtue of [Finance Act 2018 \(c. 3\)](#), [Sch. 11 para. 14\(7\)](#)

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What counts as a dwelling

- 18 (1) This paragraph sets out rules for determining what counts as a dwelling for the purposes of this Schedule.
- (2) A building or part of a building counts as a dwelling if—
- (a) it is used or suitable for use as a single dwelling, or
 - (b) it is in the process of being constructed or adapted for such use.
- (3) Land that is, or is to be, occupied or enjoyed with a dwelling as a garden or grounds (including any building or structure on that land) is taken to be part of that dwelling.
- (4) Land that subsists, or is to subsist, for the benefit of a dwelling is taken to be part of that dwelling.
- (5) The main subject-matter of a transaction is also taken to consist of or include an interest in a dwelling if—
- (a) substantial performance of a contract constitutes the effective date of that transaction by virtue of a relevant deeming provision,
 - (b) the main subject-matter of the transaction consists of or includes an interest in a building, or a part of a building, that is to be constructed or adapted under the contract for use as a single dwelling, and
 - (c) construction or adaptation of the building, or part of a building, has not begun by the time the contract is substantially performed.
- (6) In sub-paragraph (5)—
- “contract” includes any agreement;
 - “relevant deeming provision” means any of sections 44 to 45A or paragraph 5(1) or (2) of Schedule 2A or paragraph 12A of Schedule 17A;
 - “substantially performed” has the same meaning as in section 44.
- (7) A building or part of a building used for a purpose specified in section 116(2) or (3) is not used as a dwelling for the purposes of sub-paragraph (2) or (5).
- (8) Where a building or part of a building is used for a purpose mentioned in sub-paragraph (7), no account is to be taken for the purposes of sub-paragraph (2) of its suitability for any other use.

Power to modify this Schedule

- 19 (1) The Treasury may by regulations amend or otherwise modify this Schedule for the purpose of preventing certain chargeable transactions from being higher rates transactions for the purposes of paragraph 1.
- (2) The provision which may be included in regulations under this paragraph by reason of section 114(6)(c) includes incidental or consequential provision which may cause a chargeable transaction to be a higher rates transaction for the purposes of paragraph 1.]

Changes to legislation:

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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.)