

2001 No. 3746

TAXES

The Variation of Stamp Duties Regulations 2001

Approved by the House of Commons

Made - - - - - 27th November 2001

Laid before the House of Commons 27th November 2001

Coming into force - - - - - 28th November 2001

The Treasury, in exercise of the power conferred upon them by paragraph 1 of Schedule 33 to the Finance Act 2000^(a), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Variation of Stamp Duties Regulations 2001 and shall come into force on 28th November 2001.

Interpretation

2. In these Regulations—

“lease of land” has the same meaning as in Part 2 of Schedule 13 to the Finance Act 1999^(b);

“qualifying premium”, in relation to a lease of land, means the consideration in respect of which, under paragraph 12(2) of Schedule 13 to the Finance Act 1999, the duty is the same as that on a conveyance on sale for the same consideration;

“section 92(1)” means section 92(1) of the Finance Act 2001 (exemption from stamp duty in a disadvantaged area)^(c);

“Schedule 30” means Schedule 30 to the Finance Act 2001 (stamp duty; exemption for land in disadvantaged areas).

Instruments to which regulation 4 applies

3.—(1) Regulation 4 applies to an instrument if it is—

- (a) a conveyance or transfer on sale of an estate or interest in land, or
- (b) a lease of land,

and the condition in paragraph (2) is satisfied in the case of the instrument.

(2) The condition in this paragraph is satisfied in the case of an instrument if, apart from section 92(1) and paragraphs 1 and 3 of Schedule 30—

- (a) the amount or value of the relevant consideration exceeds £150,000; or

(a) 2000 c. 17.
(b) 1999 c. 16.
(c) 2001 c. 9.

- (b) the instrument could not be certified under paragraph 4 of Schedule 13 to the Finance Act 1999 at £150,000 or under if that threshold were specified in the Table in that paragraph.
- (3) In paragraph (2)(a) “the relevant consideration” means—
 - (a) in the case of a conveyance or transfer on sale, the consideration for the sale; and
 - (b) in the case of a lease of land, any qualifying premium.
- (4) In this regulation “conveyance on sale” has the same meaning as in Part 1 of Schedule 13 to the Finance Act 1999 (see paragraph 1(2) of that Schedule).

Variation of stamp duty on such instruments

- 4.—(1) Neither—
- (a) section 92(1), nor
 - (b) paragraph 1 of Schedule 30 (duty where land partly in disadvantaged area),
- shall apply to an instrument to which this regulation applies.
- (2) Paragraph 3 of Schedule 30 (exclusion of land in such an area for the purposes of certification at a value) shall not apply where the transaction mentioned in sub-paragraph (1) of that paragraph is one effected by an instrument to which this regulation applies.

Restriction of amount of relief in the case of leases of land

5. Where section 92(1) or paragraph 1 of Schedule 30 applies in relation to a lease of land, it shall have effect only in relation to duty in respect of the amount or value of any qualifying premium (and, accordingly, does not affect the amount of duty chargeable under paragraph 12(3) of Schedule 13 to the Finance Act 1999 in respect of rent).

No relief from fixed duties

6. Neither section 92(1) nor paragraph 1 of Schedule 30 shall have effect in relation to stamp duty chargeable under—
- (a) paragraph 1 of the Table in paragraph 11 of Part 2 of Schedule 13 to the Finance Act 1999 (lease of furnished dwelling etc for less than a year at a rent exceeding £5,000);
 - (b) paragraph 13 of that Part of that Schedule (leases not within paragraph 11 or 12); or
 - (c) paragraph 16 of Part 3 of that Schedule (conveyance or transfer of property otherwise than on sale).

Contracts for sale and agreements for leases

- 7.—(1) The following provisions of Schedule 13 to the Finance Act 1999, namely—
- (a) paragraphs 7 to 9 of Part 1 (contracts or agreements chargeable as conveyances on sale), and
 - (b) paragraphs 14 and 15 of Part 2 (agreement for a lease and lease for a fixed term and then until determined),
- have effect in accordance with the preceding provisions of these Regulations.
- (2) Any other provision for stamp duty to be determined by reference to provisions of Part 1 or Part 2, or paragraph 16 of Part 3, of Schedule 13 to the Finance Act 1999 also has effect in accordance with the preceding provisions of these Regulations.

Anne McGuire
John Heppell

27th November 2001

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under paragraph 1 of Schedule 33 to the Finance Act 2000 which confers upon the Treasury a power to vary existing stamp duties. The Regulations provide that certain stamp duty reliefs for land in disadvantaged areas, contained in section 92(1) of, and paragraph 1 of Schedule 30 to, the Finance Act 2001 (“Section 92(1)” and “Schedule 30” respectively), shall not apply to certain instruments and otherwise restrict those reliefs.

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 sets out the instruments to which regulation 4 applies, and regulation 4 provides that neither section 92(1) nor paragraph 1 of Schedule 30 shall apply to such instruments. Regulation 4 provides also that paragraph 3 of Schedule 30 (exclusion of land in a disadvantaged area for the purposes of certification at a value) shall not apply to transactions effected by such instruments.

Regulation 5 provides for a restriction of the amount of any relief in the case of leases of land.

Regulation 6 provides that neither section 92(1) nor paragraph 1 of Schedule 30 shall have effect in relation to certain fixed duties.

Regulation 7 ensures that the provisions of Schedule 13 to the Finance Act 1999, in particular those concerning contracts for sale chargeable as conveyances on sale and those concerning agreements for leases, have effect in accordance with the provisions of these Regulations.

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