

Budget 2009



BN46

22 April 2009

STAMP DUTY LAND TAX: LEASEHOLD ENFRANCHISEMENT

Who is likely to be affected?

1. Leaseholders of flats wishing to acquire the freehold of their block.

General description of the measure

2. Legislation will be introduced in Finance Bill 2009 to change the rules for the stamp duty land tax (SDLT) relief for leasehold enfranchisement by removing the requirement that the relief can only be claimed by a statutory "Right to Enfranchise" (RTE) Company. This change will ensure that the relief can now be claimed by all who are exercising statutory rights of leasehold enfranchisement.

Operative date

3. The measure will have effect for land transactions where the effective date for SDLT purposes is on or after 22 April 2009.

Current law and proposed revisions

4. The SDLT relief which applies to the acquisition of the freehold of a block of flats on behalf of the leaseholders under statutory rights of leasehold enfranchisement only applies to purchases by RTE companies.
5. Statutory provision for RTE companies has never been brought into force so the relief could not be claimed.
6. By amending the existing SDLT provision to remove the reference to an RTE company and allow relief to be claimed by any nominee or appointee who acquires the freehold of a block of flats on behalf of leaseholders under a statutory right of leasehold enfranchisement, the relief will operate as originally intended.

Further advice

7. If you have any questions about this change, please contact the Stamp Taxes Helpline on 0845 603 0135. Information about Budget measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk

