

## Multiple Linked Grants of Lease [Code 'L'] Residential / Non Residential / Mixed

**Note 1:** All mandatory questions will be marked with a **'red asterisk [\*]'** on screen.

**Note 2:** The 'Online Return' will **not** calculate the tax due for this transaction. You must enter your own self-assessed tax due figure.

**Note 3:** This step-by-step guide contains online links to further guidance.

## Multiple Linked Grants of Lease

### What is a linked transaction?

- ❖ [See SDLT 6 \[3.3 Linked transaction\]](#)
- ❖ **Guidance on Linked Lease Transactions** – See Stamp Duty Land Tax Manual [SDLTM13100](#)

### 1) Complete 'Preliminary questions'

About the purchaser(s) – Purchaser (1) [Q1.52]

About the land – Property (1) [Q1.28]

About the transaction [Q1.2/Q1.63]

#### Next

### 2) 'About the purchaser - Overview' [new page]

To complete purchaser details click on **'complete details'**

### 3) 'About the purchaser – Identity' [new page]

Complete purchaser details as appropriate [Q1.51/Q1.52/Q1.53/Q1.50/1.54/1.56/Q1.55/Q1.57]

#### Next

### 4) 'About the Agent for the purchaser(s)' [new page]

Complete Agent details for the purchaser(s) [Q1.60/Q1.61/Q1.62/Q1.64/Q1.63/Q1.59]

#### Next

### 5) 'About the purchaser(s) - Overview' [new page]

For every subsequent purchaser, please select:

- ❖ Add another purchaser – Individual [Q1.65/Q1.66/Q1.67/Q1.68/1.69]
  - Please note that when adding a 3<sup>rd</sup> and any subsequent purchasers, it will be SDLT 2 form questions that appear:[Q2.2/Q2.3/Q2.4/Q2.5/Q2.7/Q2.6] **Or**
- ❖ Add another purchaser – Company [Q1.66/Q1.68/Q1.69]
  - Please note that when adding a 3<sup>rd</sup> and any subsequent company purchasers, it will be SDLT 2 form questions that appear:[Q2.3/Q2.5/Q2.7/Q2.6]

- Please note that if you select '**Provide company details**', please provide 'Company details' of any 1 company, only. [Q4.7/Q4.8/Q4.9]
- Please note that our online return will not support transactions where there are any more than a combination of ninety nine purchasers & vendors.

**Go to 'Vendor Details'**

**6) 'About the vendor – Identity'** [new page]

Complete vendor details as appropriate. [Q1.35/Q1.36/Q1.37/Q1.38]

**Next**

**7) 'About the Agent for the Vendor(s)'** [new page]

Complete agent details for the vendor(s). [Q.1.39/Q1.40/Q1.41/Q1.44/Q1.42/Q1.43]

**Next**

**8) 'About the vendor(s) – Overview'** [new page]

For every subsequent vendor, please select:

- ❖ Add another Vendor [Q1.45/Q1.46/Q1.47/Q1.48]
  - Please note that when adding a 3<sup>rd</sup> and any subsequent vendors, it will be SDLT 2 form questions that appear [Q2.2/Q2.3/Q2.4/Q2.5]
  - Please note our online return will not support transactions where there are any more than a combination of ninety nine purchasers & vendors.

**Go to Land Details**

**9) 'About the land – Overview'** [new page]

To complete subject property details click on '**complete details**'

**10) 'About the Land'** [new page]

Complete subject property details as appropriate.  
[Q.1.1/Q1.3/Q1.28/Q1.29/Q1.30/Q1.31/Q1.32/Q1.33/Q4.6]

**Next**

**11) 'About the Land - Overview'** [new page]

This section allows you to check the land details and make any amendments if necessary. It also enables you to '**add another property**' for any multi-property transactions.

- ❖ Add another property [Q4.10/Q4.17/4.11/4.12/Q4.13/Q4.14/Q4.15/Q4.6]
  - Please note our online return will not support transactions where there are any more than ninety nine properties.

**Go to transaction details**

**12) 'About the Transaction'** [new page]

Complete details. [Q1.4/Q1.6]

**Next**

**13) 'About the Transaction – Consideration'** [new page]

Complete further details. [Q1.13/Q1.9/Q4.4/Q4.5]

- Please note, you must answer 'Yes' to 'Is this transaction linked to any other?' [Q1.13] & complete the total linked consideration in Q1.13 part 2 – if, there are no premiums payable, please enter '0' here.

**Next**

**14) 'About the Transaction – Additional Details 1'** [new page]

Complete additional details as appropriate. [Q4.1 / 4.2 / 4.3]

- Please note: Q4.1: 'Is this transaction part of the sale of a business?' & Q4.2 'Is the property described, anything other than residential?' are not numbered within the online return.

**Next**

**15) 'About the transaction – Additional Details 2'** [new page]

Complete additional details as appropriate. [Q1.5 / 1.7 / 1.8]

**Go to Lease Details**

**16) 'About the Lease'** [new page]

Complete lease details for subject property.

[Q1.16/Q1.17/Q1.18/Q1.19/Q1.20/Q1.21/Q1.22/Q1.23]

- Please note questions 1.22 - 1.23 must be completed for this 1<sup>st</sup> lease only, apportioning the correct tax due.
- Please note that the linked rate applies to any 'Premium' payable & complete guidance on the apportionment of tax due on the 'NPV', is within the footnote below.

**Next**

**17) 'About the Lease – Additional Information'** [new page]

Complete as appropriate.

[Q4.28/Q4.29/Q4.30/Q4.31/Q4.32/Q4.33/Q4.34/Q4.35/Q4.36/Q4.37/Q4.38/4.39]

**View Return Status**

**18) 'Return Status'** [new page]

This is an overview of the information entered so far. Click on '**Check this Return**'

**19) Error Overview** [new page]

Any errors on completion of your 'Return' will be listed here. If there are any errors listed:

Click on **Correct these errors**

& then

**Return to the error overview**

**20) 'There are no errors so far'** [new page]

❖ Tax Calculation

❖ Final Details

**Click on 'Tax Calculation'**

### 21) Tax Due [new page]

Complete Questions **Q4.24/Q4.25/Q1.15** - with your self-assessed tax calculation. For this transaction, a linked grant of lease, the 'Online Return' will not calculate the tax due. You must enter your own self-assessed tax due figure for:

- ❖ Total amount of tax due – **Premium** [Q1.24]
- ❖ Total amount of tax due - **NPV** [Q1.25]
- ❖ Amount you intend to pay [Q1.15]
  - Please note we suggest you keep a copy of the 'Tax Calculation' for your records.
  
  - Please note that in many cases the 'Online Return' will calculate any tax due based on the information you provide. There are however some circumstances where it won't. SDLT will not be calculated where:
    - a) Field 3 on the '**SDLT 1**' is 'OT' (all others)
    - b) It is a linked lease transaction
    - c) Relief code '07' is claimed [designated areas (mixed)]
    - d) It is a shared ownership lease (Code 'OT' must be used)
    - e) There is stair-casing (Code 'OT' must be used)
    - f) Claiming 'Disadvantaged Area Relief' [DAR] for a lease where the 'Average Annual Rent' is over £600, use code 'OT' in field 3

**Go to final details**

### 22) Final Details [new page]

Complete further details:

- ❖ Check the 'effective date' [Q1.4]
- ❖ Do you want a certificate for each property [Q1.27]
- ❖ To which address shall we send the certificate [Q1.58]

**View, print & store**

### 23) Complete return [new page]

- Please note, we suggest you keep a copy of the return & the tax calculation for your own records.

**Then go to 'Submit this return'**

2<sup>nd</sup> Grant of Lease [Linked to 1<sup>st</sup> Lease]

### 1) Go to 'Start new return' for 2<sup>nd</sup> Lease

Please complete another 'Return' to notify this transaction. The same flow of questions & guidance, as above, will apply.

**Footnote:**

1. **Example of calculating the SDLT payable on rent for linked grants of new leases**

We have 3 linked leases (not successive linked leases) with no premium

We need to calculate the total SDLT payable on the rent.

We also need to know how much of this **'total tax' is apportioned to each of these leases. How do we do this?**

- ✓ Calculate the **NPV of the first lease** = £180,000 [Q1.23 SDLT 1]
- ✓ Calculate the **NPV of the second lease** = £45,000 [Q1.23 SDLT 1]
- ✓ Calculate the **NPV of the third lease** = £215,000 [Q1.23 SDLT 1]
- ✓ **Add** these **NPV's** together = £440,000
- ✓ **Deduct** the **shared slice** = £150,000 [Non-residential] / £125,000 [Residential]
- ✓ **Balance** = £290,000
- ✓ **SDLT @ 1%** = £2,900
- ✓ **SDLT on the first lease** = £2,900 divided by £440,000 multiplied by £180,000 = £1,186 [Q1.25 SDLT1]
- ✓ **SDLT on the second lease** = £2,900 divided by £440,000 multiplied by £45,000 = £296 [Q1.25 SDLT1]
- ✓ **SDLT on the third lease** = £2,900 divided by £440,000 multiplied by £215,000 = £1,417 [Q1.25 SDLT1]

**The total SDLT payable will therefore be £2,899**

## **2. Example of calculating the SDLT payable on the premium for linked grants of new leases**

We have 3 linked leases (not successive linked leases) each with a premium

We need to calculate the total SDLT payable on each of the Premiums.

**How do we do this?**

- ✓ Premium on Lease 1 = £200,000 [Q1.22 SDLT 1]
- ✓ Premium on Lease 2 = £250,000 [Q1.22 SDLT 1]
- ✓ Premium on Lease 3 = £215,000 [Q1.23 SDLT 1]
- ✓ To determine the rate applicable to each of these premiums you must:  
**Add** all of the Premiums together = £675,000 [**Rate 4%**]
- ✓ To calculate the **'Total amount of tax due – premium'** [Q1.24] - **Apply** this combined premium **rate of 4 % to each individual premium** when entering the tax due for each linked lease at **Q1.24**
- ✓ **SDLT due on Premium [Lease 1]** = £200,000 x 4% = £8,000 [Q1.24 SDLT 1]
- ✓ **SDLT due on Premium [Lease 2]** = £250,000 x 4% = £10,000 [Q1.24 SDLT 1]
- ✓ **SDLT due on Premium [Lease 3]** = £215,000 x 4% = £8,600 [Q1.24 SDLT 1]