



Finance Act 2003

2003 CHAPTER 14

PART 4

STAMP DUTY LAND TAX

Chargeable interests, chargeable transactions and chargeable consideration

48 Chargeable interests

- (1) In this Part “chargeable interest” means—
- (a) an estate, interest, right or power in or over land in [^{F1}England ^{F2}... or Northern Ireland], or
 - (b) the benefit of an obligation, restriction or condition affecting the value of any such estate, interest, right or power,
- other than an exempt interest.

[^{F3}(1A) See section 48A regarding land which is partly in England and partly in Wales.]

- (2) The following are exempt interests—
- (a) any security interest;
 - (b) a licence to use or occupy land;
 - (c) ^{F4}...—
 - (i) a tenancy at will;
 - (ii) an advowson, franchise or manor.
- (3) In subsection (2)—
- (a) “security interest” means an interest or right (other than a rentcharge) held for the purpose of securing the payment of money or the performance of any other obligation; and
 - (b) “franchise” means a grant from the Crown such as the right to hold a market or fair, or the right to take tolls.

Status: Point in time view as at 24/05/2024.

Changes to legislation: Finance Act 2003, Cross Heading: Chargeable interests, chargeable transactions and chargeable consideration is up to date with all changes known to be in force on or before 06 July 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)

[^{F5}(3A) Section 73B makes additional provision about exempt interests in relation to alternative finance arrangements.]

^{F6}(4)

(5) The Treasury may by regulations provide that any other description of interest or right in relation to land in [^{F7}England ^{F8}... or Northern Ireland] is an exempt interest.

(6) The regulations may contain such supplementary, incidental and transitional provision as appears to the Treasury to be appropriate.

[^{F9}(7) This section has effect subject to subsection (3) of section 44A (contract and conveyance to third party) [^{F10}and to paragraph 15A of Schedule 17A (reduction of rent or term of lease)].]

Textual Amendments

- F1** Words in s. 48(1)(a) substituted (with effect in accordance with s. 29(4) of the amending Act) by [Scotland Act 2012 \(c. 11\), ss. 29\(2\), \(3\)\(b\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F2** Words in s. 48(1)(a) omitted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by virtue of [Wales Act 2014 \(c. 29\), ss. 16\(2\), 29\(2\)\(b\)\(3\)](#) (with s. 16(4)(5)); S.I. 2018/214, art. 2(a)
- F3** S. 48(1A) inserted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by [Wales Act 2014 \(c. 29\), s. 29\(2\)\(b\)\(3\), Sch. 2 para. 3\(2\)](#); S.I. 2018/214, art. 2(a)
- F4** Words in s. 48(2)(c) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\), Sch. 3 para. 4\(a\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F5** S. 48(3A) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\), s. 75\(2\)](#)
- F6** S. 48(4) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\), Sch. 3 para. 4\(b\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F7** Words in s. 48(5) substituted (with effect in accordance with s. 29(4) of the amending Act) by [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\), Sch. 3 para. 4\(c\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F8** Words in s. 48(5) omitted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by virtue of [Wales Act 2014 \(c. 29\), s. 29\(2\)\(b\)\(3\), Sch. 2 para. 3\(3\)](#); S.I. 2018/214, art. 2(a)
- F9** S. 48(7) inserted (with effect in accordance with Sch. 39 para. 13(1) of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 39 para. 4\(2\)](#)
- F10** Words in s. 48(7) inserted (with effect in accordance with s. 29(9) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 297\(3\)](#)

Commencement Information

- I1** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

[^{F11}48A Interests, transactions and consideration where land in England and Wales

- (1) This section sets out how this Part applies to a transaction which is the acquisition of—
- an estate, interest, right or power in or over land, or
 - the benefit of an obligation, restriction or condition affecting the value of any such estate, interest, right or power,
- where the land is partly in England and partly in Wales.
- (2) The transaction is to be treated as if it were two transactions, one relating to the land in England (“the English transaction”) and the other relating to the land in Wales.

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- (3) The consideration for the transaction is to be apportioned between those two transactions on a just and reasonable basis.
- (4) Accordingly, the English transaction is to be treated as a land transaction within the meaning of this Part (being the acquisition of a chargeable interest relating to the land in England).
- (5) But subsection (4) does not apply in the case of an exempt interest.

[See section 9 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes ^{F12}(6) (Wales) Act 2017 (anaw 0) as to the application of that Act to the transaction relating to the land in Wales.]]

Textual Amendments

- F11** S. 48A inserted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by [Wales Act 2014 \(c. 29\)](#), s. 29(2)(b)(3), [Sch. 2 para. 4](#); S.I. 2018/214, art. 2(a)
- F12** S. 48A(6) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), [ss. 9\(9\)](#), 81(2)(3); S.I. 2018/34, art. 3

49 Chargeable transactions

- (1) A land transaction is a chargeable transaction if it is not a transaction that is exempt from charge.
- (2) Schedule 3 provides for certain transactions to be exempt from charge.
Other transactions are exempt from charge under other provisions of this Part.

Commencement Information

- I2** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

50 Chargeable consideration

- (1) Schedule 4 makes provision as to the chargeable consideration for a transaction.
- (2) The Treasury may by regulations amend or repeal the provisions of this Part relating to chargeable consideration and make such other provision as appears to them appropriate with respect to—
 - (a) what is to count as chargeable consideration, or
 - (b) the determination of the amount of chargeable consideration.
- (3) The regulations may make different provision in relation to different descriptions of transaction or consideration and different circumstances.

Commencement Information

- I3** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

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51 Contingent, uncertain or unascertained consideration

- (1) Where the whole or part of the chargeable consideration for a transaction is contingent, the amount or value of the consideration shall be determined for the purposes of this Part on the assumption that the outcome of the contingency will be such that the consideration is payable or, as the case may be, does not cease to be payable.
- (2) Where the whole or part of the chargeable consideration for a transaction is uncertain or unascertained, its amount or value shall be determined for the purposes of this Part on the basis of a reasonable estimate.
- (3) In this Part—
 - “contingent”, in relation to consideration, means—
 - (a) that it is to be paid or provided only if some uncertain future event occurs, or
 - (b) that it is to cease to be paid or provided if some uncertain future event occurs; and
 - “uncertain”, in relation to consideration, means that its amount or value depends on uncertain future events.
- (4) This section has effect subject to—
 - section 80 (adjustment where contingency ceases or consideration is ascertained), and
 - section 90 (application to defer payment in case of contingent or uncertain consideration).
- [^{F13}(5) This section applies in relation to chargeable consideration consisting of rent only to the extent that it is applied by paragraph 7 of Schedule 17A.]

Textual Amendments

- F13** S. 51(5) added (with effect in accordance with Sch. 39 para. 26 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 39 para. 22\(3\)](#) (which amending provision re-enacts, subject to certain changes, a corresponding amendment made by the now revoked [Stamp Duty and Stamp Duty Land Tax \(Variation of the Finance Act 2003\) \(No. 2\) Regulations 2003 \(S.I. 2003/2816\)](#), see Sch. 39 para. 14)

Commencement Information

- I4** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

52 Annuities etc: chargeable consideration limited to twelve years' payments

- (1) This section applies to so much of the chargeable consideration for a land transaction as consists of an annuity payable—
 - (a) for life, or
 - (b) in perpetuity, or
 - (c) for an indefinite period, or
 - (d) for a definite period exceeding twelve years.
- (2) For the purposes of this Part the consideration to be taken into account is limited to twelve years' annual payments.

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- (3) Where the amount payable varies, or may vary, from year to year, the twelve highest annual payments shall be taken.

No account shall be taken for the purposes of this Schedule of any provision for adjustment of the amount payable in line with the retail price index.

- (4) References in this section to annual payments are to payments in respect of each successive period of twelve months beginning with the effective date of the transaction.
- (5) For the purposes of this section the amount or value of any payment shall be determined (if necessary) in accordance with section 51 (contingent, uncertain or unascertained consideration).
- (6) References in this section to an annuity include any consideration (other than rent) that falls to be paid or provided periodically. References to payment shall be read accordingly.
- (7) Where this section applies—
- (a) section 80 (adjustment where contingency ceases or consideration is ascertained) does not apply, and
 - (b) no application may be made under section 90 (application to defer payment in case of contingent or uncertain consideration).

Commencement Information

I5 Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

53 Deemed market value where transaction involves connected company

- [^{F14}(1) This section applies where the purchaser is a company and—
- (a) the vendor is connected with the purchaser, or
 - (b) some or all of the consideration for the transaction consists of the issue or transfer of shares in a company with which the vendor is connected.
- (1A) The chargeable consideration for the transaction shall be taken to be not less than—
- (a) the market value of the subject-matter of the transaction as at the effective date of the transaction, and
 - (b) if the acquisition is the grant of a lease at a rent, that rent.]

(2) [^{F15}Section 1122 of the Corporation Tax Act 2010] (connected persons) has effect for the purposes of this section.

(3) In this section—

 - “company” means any body corporate;
 - “shares” includes stock and the reference to shares in a company includes a reference to securities issued by a company.

(4) Where this section applies paragraph 1 of Schedule 3 (exemption of transactions for which there is no chargeable consideration) does not apply.

But this section has effect subject to any other provision affording exemption or relief from stamp duty land tax.

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(5) This section is subject to the exceptions provided for in section 54.

Textual Amendments

- F14** S. 53(1)(1A) substituted for s. 53(1) (with effect in accordance with s. 297(9) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 297\(4\)](#)
- F15** Words in s. 53(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 404](#) (with [Sch. 2](#))

Commencement Information

- I6** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)
- I7** S. 53(2) has effect as specified by [The Stamp Duty Land Tax \(Appointment of the Implementation Date\) Order 2003 \(S.I. 2003/2899\), art. 2](#)

54 Exceptions from deemed market value rule

(1) Section 53 (chargeable consideration: transaction with connected company) does not apply in the following cases.

In the following provisions “the company” means the company that is the purchaser in relation to the transaction in question.

- (2) Case 1 is where immediately after the transaction the company holds the property as trustee in the course of a business carried on by it that consists of or includes the management of trusts.
- (3) Case 2 is where—
- (a) immediately after the transaction the company holds the property as trustee, and
 - (b) the vendor is connected with the company only because of [^{F16}section 1122(6) of the Corporation Tax Act 2010].
- (4) Case 3 is where—
- (a) the vendor is a company and the transaction is, or is part of, a distribution of the assets of that company (whether or not in connection with its winding up), and
 - (b) it is not the case that—
 - (i) the subject-matter of the transaction, or
 - (ii) an interest from which that interest is derived,
 has, within the period of three years immediately preceding the effective date of the transaction, been the subject of a transaction in respect of which group relief was claimed by the vendor.

Textual Amendments

- F16** Words in s. 54(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 405](#) (with [Sch. 2](#))

Commencement Information

- I8** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

Status:

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Changes to legislation:

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