

Amendment	Page	Line
*97	243	97

Mr Chancellor of the Exchequer

**Amendment 97**

Page 243, line 97 [*Schedule 19*], at end insert—

*'Time for stamping agreement for lease: lease subject to stamp duty land tax*

7A (1) This paragraph makes provision corresponding to section 240 of the Finance Act 1994 (c. 9) (stamp duty: time for presenting agreement for lease) and applies where—

- (a) an agreement for a lease is entered into before the implementation date,
- (b) a lease giving effect to the agreement is executed on or after that date, and
- (c) the transaction effected on completion is an SDLT transaction or would be but for an exemption or relief from stamp duty land tax.

(2) If in those circumstances—

- (a) the lease is produced when the agreement is presented for stamping, and
- (b) the duty (if any) chargeable on the agreement is paid,

sections 15A and 15B of the Stamp Act 1891 (c. 39) (interest and penalty on late stamping) apply in relation to the agreement as if it had been executed on the date on which the lease was executed.

(3) For the purposes of this paragraph a lease gives effect to an agreement if the lease either is in conformity with the agreement or relates to substantially the same property and term as the agreement.

**BOARD OF INLAND REVENUE      FINANCE BILL 2003**  
**REPORT**  
**SCHEDULE 19**

- (4) References in this paragraph to an agreement for a lease include missives of let in Scotland.’

**EXPLANATORY NOTE**

**SUMMARY**

1. This amendment adds paragraph 7A to the transitional provisions in Schedule 19. It provides for a special transitional rule where a lease is entered into after the implementation of SDLT, and is subject to SDLT, but is made pursuant to an agreement for lease entered into before implementation. It allows the taxpayer to stamp the agreement for lease when the lease is granted, without interest and penalties.

**DETAILS**

2. Sub-paragraph (1) sets out when the transitional rule will apply.
3. Sub-paragraph (2) provides that interest and penalties will not apply if the completed lease is produced at the same time as the agreement for lease is presented for stamping.
4. Sub-paragraph (3) sets out where a lease “gives effect” to an agreement for lease, for the purposes of sub-paragraph (1).
5. Sub-paragraph (4) makes special provision for missives of let in Scotland.

**BACKGROUND NOTE**

6. This provision is based on section 240 of the Finance Act 1994. It extends the rule in that section to cover where the lease is subject to SDLT as well as where it is subject to stamp duty.