

UK financial services, regulation and ethics

CF1 Web update 2: 16 December 2014

Please note the following updates to your copy of the July 2014 edition of the CF1 study text regarding stamp duty (SDLT) and inheritance of NISAs.

These changes have been made necessary as a result of the December 2014 Autumn Statement and will be examined from 2 March 2015.

Chapter 3, section B6B, page 3/9

Add the following paragraph at the end of this section:

Note that following the December 2014 Autumn Statement, if a NISA holder in a marriage or civil partnership dies on or after 3 December 2014, their NISA benefits will be able to be passed on to their spouse or civil partner via an additional NISA allowance which can be used from 6 April 2015. The surviving spouse or civil partner will be allowed to invest as much into their own NISA as their spouse/partner used to have, in addition to their own annual NISA limit.

Chapter 7, section E1, page 7/25

Replace the text in this section with the following:

Following the 2014 Autumn Statement, stamp duty land tax (SDLT) has been restructured with effect from 4 December 2014 for **residential** land transactions. Instead of the 'slab' approach in which one rate of tax applies to the entire purchase price, SDLT is now only paid at the rate of tax on that part of the purchase price within each tax band shown below.

Table 7.3: Stamp duty land tax, residential applicable from 4 December 2014

Slice of property value	Rate %
£0 – £125,000	0
£125,001 – £250,000	2
£250,001 – £925,000	5
£925,001 – £1,500,000	10
£1,500,001 +	12

Example

Previously, the stamp duty payable on a residential transaction of £275,000 was £8,250 (£275,000 at 3%); from 4 December 2014 this has reduced to £3,750.

This is calculated as follows:

First £125,000	0
£125,001 to £250,000 = £125,000 at 2%	£2,500
£250,001 to £275,000 = £25,000 at 5%	£1,250
Total	£3,750



Corporate bodies

SDLT continues to be charged at 15% on residential dwellings costing more than £500,000 bought by bodies such as companies and collective investment schemes.