

Financial services, regulation and ethics

R01: 2020–21 edition

Web update 1: 18 August 2020

Please note the following updates to your copy of the R01 study text:

Chapter 1, section E1, example 1.1. page 1/12



Be aware

SDLT cuts for 2020/21

Due to the coronavirus (COVID-19) pandemic, the Chancellor has announced a temporary increase in the stamp duty land tax (SDLT) nil rate band in England and Northern Ireland from 8 July 2020 until 31 March 2021. This SDLT cut will also apply to purchases of residential properties in addition to an existing home during this period.

The temporary rates are shown in the following table.

SDLT rates from 8 July 2020 until 31 March 2021 in England and Northern Ireland		
Slice of property value	SDLT rates where no other property is owned	SDLT rates on additional properties
Up to £500,000	0%	3%
£500,001 to £925,000	5%	8%
£925,001 to £1,500,000	10%	13%
Over £1,500,000	12%	15%

Chapter 8, section B5, table 8.1. page 8/24

The left-hand column heading has been corrected to read '14-day cancellation period'.

Table 8.1: Cancellable investment agreements

14-day cancellation period	30-day cancellation period
<ul style="list-style-type: none"> • Cash ISA. • Units in a regulated collective investment scheme (including those purchased as part of a wrapper or pension).¹ • Transferring a child trust fund (CTF).¹ • Opening or transferring an ISA.¹ • An enterprise investment scheme (EIS).¹ • Designated investments (including those mentioned above) when sold at a distance.² 	<ul style="list-style-type: none"> • Life policy (including a pension annuity, a pension policy or within a wrapper, e.g. ISA). • A personal or stakeholder pension contract. • Pension transfer. • Variations of existing personal or stakeholder pensions by electing to take income withdrawals. • Personal recommendations for a Lifetime ISA (non-distance).

Notes:

For life policies purchased as part of a wrapper, the 30-day cancellation right will apply to the entire arrangement (i.e. to the wrapper and the policy). For contracts to buy units in regulated collective investments as part of a pension wrapper the 14-day cancellation right will apply to the entire arrangement (i.e. to the wrapper and the policy).

¹ These cancellation rights apply where a personal recommendation has been made and the sale was not made at a distance (e.g. if the advice was given face to face).

² This excludes any contract where the price depends on fluctuations in the financial market outside of a firm's control, for example: options, swaps, contracts for difference, foreign exchange transactions, and units in collective investments.