

MAY 2019 HOT TOPIC - WIN A BOTTLE OF BOLLINGER CHAMPAGNE

Here are seven questions for you. Email your answers by Friday, 31st May, get all seven correct and win a bottle of Bollinger Champagne. The correct answers will be announced on Monday, 3rd June 2019.

Question One

Answer 1, 2, 3 or 4

What defines a building, or part of a building, as being 'a dwelling' under SDLT law?

1. A building that has all the standard utilities connected to it.
2. A building that is 'in use' or 'suitable for use' as a dwelling. i.e. someone actually lives in it or could live in it.
3. A building that is a redundant barn with planning permission for conversion to a dwelling.
4. All of the above.

Question Two

Answer 1, 2, 3, or 4

To state that a dwelling is either 'non-residential property' or 'mixed use property' under SDLT law, how much land does it need to include with it?

1. At least 5 acres.
2. This is a rare occasion when size doesn't matter.
3. At least ½ hectare.
4. At least 2 hectares.

Question Three

Answer 1, 2, or 3

If a happily married wife transfers her 50% share in their jointly owned sole main residence to her husband for total consideration of £110,000, would the transfer be subject to the SDLT 3% higher rates if the happily married husband already owns two other dwellings?

1. Yes, of course
2. It depends
3. No, definitely not

Question Four

Answer 1, 2, or 3

If a girlfriend transfers her 50% share in their jointly owned sole main residence to her boyfriend for total consideration of £110,000, would the transfer be subject to the SDLT 3% higher rates if the boyfriend already owns two other dwellings?

1. Yes, of course
2. It depends
3. No, definitely not

Question Five

Answer 1, 2, 3 or 4

When a husband and wife are 'separated' HMRC will accept that they are no longer treated as 'one unit' when calculating if the 3% higher rates apply to a purchase by either. What would 'separated' mean in this example?

1. The couple are now living in separate houses.
2. The marriage has broken down and that breakdown is likely to be permanent.
3. The couple live in different countries.
4. They have both made an appointment to see a divorce lawyer.

Question Six

Answer 1, 2, 3 or 4

A wealthy grandmother sets up a bare trust with £1m in which she and her two sisters are trustees. The trustees have had their offer accepted on a residential property in Bath for £750,000. The beneficiary of the bare trust is the wealthy grandmother's granddaughter who is a minor. The minor is fit and well. The minor will be entitled to the residential property absolutely as the sole beneficiary. Under SDLT law who is/are the purchaser(s)?

1. The trustees of the bare trust.
2. The grandmother and her sisters personally.
3. The parents of the minor.
4. The minor.

Question Seven

Answer 1, 2, 3 or 4

Parents gift their son their only and main residence, which is valued at £750k, to their son on the condition that their son gifts them his flat, also his main residence, which is also valued at £750k. The parents' property is unencumbered, but the son's property has a mortgage of £300k outstanding. Neither own any other residential property. What is the SDLT position?

1. There is no SDLT payable, they are gifts.
2. The son will not pay SDLT, but the parents' consideration is £300k so SDLT will be due.
3. Each party will pay SDLT on £750k.
4. They pay SDLT on the differing values they receive which, in the case, is £zero.

EMAIL YOUR ENTRY TO OFFICE@GRIFFITHSALLEN.CO.UK BEFORE FRIDAY 31ST MAY 2019