

Surcharges for undervaluation in case of voluntary dispositions inter vivos. FA1991 s103(1) to (3) 15.—(1) Where an instrument operates or is deemed to operate as a voluntary disposition inter vivos by operation of section 30 or 54 and the statement of value of such property, or in the case of a lease the minimum amount or value referred to in section 54, provided to the Commissioners under subsection (5) of section 8 (in this section referred to as the “submitted value”) is less than the value of the property as agreed with, or ascertained by, the Commissioners, subject to the right of appeal under section 21, (in this section referred to as the “ascertained value”) then, as a penalty, the duty chargeable on the conveyance or transfer, or lease, shall be increased by an amount (in this section referred to as the “surcharge”) calculated according to the following provisions:

(a) subject to subsection (2), where the submitted value is less than the ascertained value by an amount which is greater than 15 per cent of the ascertained value but not greater than 30 per cent of the ascertained value, a surcharge equal to 25 per cent of the total duty chargeable on the instrument;

(b) where the submitted value is less than the ascertained value by an amount which is greater than 30 per cent of the ascertained value but not greater than 50 per cent of the ascertained value, a surcharge equal to 50 per cent of the total duty chargeable on the instrument;

(c) where the submitted value is less than the ascertained value by an amount which is greater than 50 per cent of the ascertained value, a surcharge equal to the total duty chargeable on the instrument.

(2) No surcharge shall be chargeable under paragraph (a) of subsection (1) where the difference between the submitted value and the ascertained value is less than £5,000.

(3) Where a statement of value, or in the case of a lease the minimum amount or value referred to in section 54, is not provided in accordance with subsection (5) of section 8, then the liability of an instrument to a surcharge under this section may be ascertained by the Commissioners by the substitution of the consideration, other than rent in the case of lease, stated in the instrument for the submitted value.

(4) Any surcharge payable by operation of this section shall be chargeable and recoverable in the same manner as if it were part of the duty on the instrument to which it relates.