

# AGENTS OF CHANGE



Developing digital processes will boost firms and their services, says Archie Courage at SDLT.co.uk as it launches sister site MR01.co.uk

A number of government agencies have brought the legal profession into the digital age, even if the government's digital-by-default approach has experienced erratic adoption.

Most notable in its success is HM Revenue & Customs. HMRC dabbled with new technology at the turn of the millennium, but got serious in 2003 when it first introduced a stamp duty land tax (SDLT) online system via the government gateway, before making it mandatory in 2008 for online submissions of SDLT returns. Now online SDLT submissions are the norm and widely accepted. There are obvious benefits to streamlining the entire UK property tax collection process.

The conveyancer submits the return to HMRC and receives the certificate (SDLT5) on the same day, cutting out any paper

handling and postage process. This year, HMRC has expanded its ways to paying property tax online.

Legal IT has also played its part here. Where government agencies tend to fall over is in completing the beginning and end processes so that the law firm can carry out the task as quickly and efficiently as possible. Legal IT suppliers can provide better all-round processes, such as populating SDLT returns with data previously entered into case management systems and storing records of the transaction, aiding required compliance processes.

However, legal IT couldn't do this without the government agency first providing the platform and being open to professional industry innovators. It seems not all government agencies give much thought to

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**MR01.co.uk** is Companies House-authorized and helps lawyers from all sizes of firms with fast, flexible and secure filing of e-submission mortgage/charge MR forms.

[www.MR01.co.uk](http://www.MR01.co.uk)

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the whole process, concentrating only on their part of the process – but this is a mistake.

Take a recent example from the UK's continuing devolution era, one which could prove a potential threat to law firms practising in the wider UK marketplace. Early this year a new agency arrived, Revenue Scotland, created as a result of the devolution of property tax in Scotland, now called land and buildings transaction tax (LBTT).

Replacing stamp duty land tax in Scotland, LBTT came in last April and quickly became an example of government processes putting conveyancers on the back foot. Law firms couldn't export data from their case management systems. Third-party developers were without support due to a "lack of resources" at Revenue Scotland. In the meantime, Revenue Scotland was already beginning to fine agents whose returns were late or incomplete. Not wanting to sign up for an electronic system that didn't work with their existing ones (the way SDLT did), and facing pressure to conform to a new tax collection system with poor support, solicitors did what was comfortable – and returned to paper.

There are lessons to be learned from the Revenue Scotland experience and with the further devolution of property tax in Wales coming in spring 2018 – the Welsh Assembly should readily be receptive and open to engagement with the legal profession and IT industry experts such as SDLT.co.uk.

### INSIDE THE PROCESS

Another example of how agencies and legal IT can work together to streamline lawyers processes is with Companies House requirements to register company mortgages/charges.

Lawyers may recoil at the memory of completing the paper M395 mortgage particulars form of old (and its poorly designed continuation pages). Changes to the Companies Act, coupled with Companies House's willingness to embrace technology and work with legal IT industry professionals, have paved the way for significant improvements to what was a large administrative burden both in time and expense.

The paper process, working as it does with postal delivery, often resulted in exceeding the mandatory 21-day deadline to register with Companies House. The lawyer would then incur additional costs for obtaining a court order only to then have to resubmit the documents (again by post),

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delaying matters further.

Now the whole process can be handled within 24 hours of e-submitting the required information to Companies House. This isn't only a process improvement, which is also paper free, but it substantially reduces the risk of further costs when missing the 21-day deadline. Because there's no lengthy time delay waiting for postal delivery of the certificate, the lawyer can close the matter and bill the client much earlier.

The e-process itself has not only helped to reduce risk but also reduce the burden of compliance. The IT solution created by MR01.co.uk has transparent, step-by-step processes and full auditing features so you can find out who did what and when. What's more, Companies House says it is 100% committed to 'digital by default' and will extend e-submission to more of their company forms over time.

With solutions like SDLT.co.uk and MR01.co.uk that each have their own APIs, IT-savvy law firms and legal software providers can integrate their in-house or case management systems to maximise efficiencies.

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By defining and improving the process electronically, firms can also improve in areas like compliance. But it's worth noting that paper processes slow things down – the faster a process is, the higher the risk of errors. Law firms shouldn't become complacent – many processes still require the human touch. **LPM**



## The future of property tax e-submission in a devolved UK

Archie Courage, Managing Director SDLT.co.uk

### Background

We used to say in demonstrations, 'Property Tax is national, property law is regional'. This is no longer true. Since the 7th of May election result, property Tax and Law are now regional. Within three years we will have three different and unconnected property tax systems. The onus will be on you, the property professional, to learn and use three systems instead of one. HMRC will have nothing to do with Scottish and Welsh property tax.

### Response

SDLT.co.uk is committed to delivering property tax e-submission solutions for all UK transactions regardless of location. We already have in use by hundreds of firms the fully-online cloud-based SDLT.co.uk system. We are currently developing a new version of this for Scottish LBTT returns. It is true to say that Revenue Scotland are very limited in their resources, resulting in slow development of their systems but in time this will resolve itself. With over 10 years experience and 3.6 million submissions attempts to HMRC, we believe we have the skills and knowledge to overcome local government issues. We aim to surpass Revenue Scotland's simplistic version and, crucially, allow integration with case management systems to get Scottish firms back to where their efficiency levels were pre-April 2015. This will be launched Autumn 2015 and known as [www.LBTTax.co.uk](http://www.LBTTax.co.uk).

Whether you deal with English, Welsh or Scottish matters, we know you consider efficiency and compliance/risk management of property transaction tax to be crucial. Duplicated data entry is a waste of time and money. If you use case management it is clearly a saving to be integrated with Stamp Duty Land Tax systems. If you are not integrated or do not use case management, there are many ways you can save time, money and hassle with non-HMRC based alternative systems.

SDLT.co.uk have been in consultation regarding the Welsh LTT (Land Transaction Tax) system due to be introduced April 2018 and received very positive feedback and engagement. The Welsh government are as keen as we are to make a seamless system transition and learn lessons from their Scottish counterpart's implementation. This will be in the form of [www.LTTax.co.uk](http://www.LTTax.co.uk)

### Conclusion

SDLT.co.uk is the most successful third-party alternative to HMRC for the submission of stamp duty land tax. We intend for this to continue as the devolution of property tax collection moves forward. SDLT.co.uk will be your one-stop shop for property tax e-submission, regardless of the property's location.

**No one else can give you that reassurance, not even HMRC. Something to think about!**

Call us on **0845 65 26 855** or  
email **[info@SDLT.co.uk](mailto:info@SDLT.co.uk)** for details.



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