

Financial services products and solutions

LP2 2024–25 edition

Web update 1: 18 December 2024

Please note the following updates (amendments in **bold**) to your copy of the LP2 study text:

Chapter 1, section C3A, page 1/17

Table 1.10 should now be:

Table 1.10: Rates of capital gains tax	
Chargeable gains within the individual's basic rate band (up to £37,700)	10% (18% as of 30 October 2024)
Chargeable gains in excess of the basic rate band (over £37,700)	20% (24% as of 30 October 2024)

Chapter 1, section C3B, page 1/18

The 'Be aware' box should now be:



Be aware

Business Assets Disposal Relief provides those who dispose of certain business assets with a lifetime limit of £1,000,000 within which CGT is applied at the lower rate of 10%**. Any chargeable gains on certain business assets in excess of the lifetime limit revert to the standard CGT rates of 10% (**18%***) and 20% (**24%***).

*As of 30 October 2024.

** This rate is due to increase to 14% from 6 April 2025 and then to 18% from 6 April 2026 to align with the new lower basic rate of CGT set in the October 2024 budget.

Chapter 7, section A3, page 7/6

The final bullet point should now be:

- There is also a Panel on Takeovers and Mergers (PTM) levy of £1 (**rising to £1.50 from 2 December 2024**) on every trade over £10,000. The panel is the regulatory body that oversees all takeovers and mergers of companies listed on the London Stock Exchange.

Chapter 7, section B1C, page 7/9

The text following '...The rates and thresholds for residential property purchases are as follows:' until the end of the section should be replaced with:

SDLT rates for 2024/25							
Residential SDLT				First-time buyers' SDLT		Commercial property SDLT	
Slice of property value	Rate %	Rate % (additional properties until 30 October)	Rate % (additional properties from 31 October)	Slice of property value	Rate %	Slice of property value	Rate %
Up to £250,000	0	3*	5*	Up to £425,000	0	Up to £150,000	0
£250,001 to £925,000	5	8	10	£425,001 to £625,000	5	£150,001 to £250,000	2
£925,001 to £1.5m	10	13	15			Over £250,000	5
Over £1.5m	12	15	17				

An additional 3% (until 30 October 2024) or 5% (from 31 October 2024) is charged on top of the normal SDLT rate(s) on purchases of second residential properties over £40,000, e.g. a second home or a buy-to-let property. This rate is 6% in Scotland and 4% in Wales. Where an SDLT liability arises, an SDLT return must be sent to HMRC and the liability must be paid within 14 days of purchase completion.

Chapter 9, section E, page 9/15

The 'On the web' box should be removed due to the recent cancellation of the UK ISA consultation paper:

<https://www.gov.uk/government/consultations/uk-isa-consultation>.

Notes

- Any change related to the CGT and SDLT will be examined from 30 January 2025.
- Any change related to the PTM levy will be examined from 2 March 2025.
- This update has been incorporated into the digital copies of the study text, available on RevisionMate.