HMRC - STSM021230 - Stamp Duty: Transfer Of Convertible Notes

Transfers of convertible notes are liable to Stamp Duty (SD). Sometimes building societies have or issue convertible notes which automatically convert into Permanent Interest Bearing Shares (PIBS) within a few months.

The notes are loan capital but the conversion rights attached to them deny the exemption applicable to the transfer of loan capital. See STSM021220. These transfers should not be confused with the transfers of PIBS which are exempt. See STSM021240.

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