HMRC - STSM022030 - Stamp Duty: Finality Of Adjudication

Adjudication, when completed, is final and thereafter the correctness of the Stamp Duty paid on any particular document may not be challenged by HMRC. The adjudication stamp thus gives absolute certainty to any party required to act upon the document that the correct SD has been paid. The following extract from the judgment in Lord Advocate v Caledonian Railway Co [1908] SC 574/5 sums up the current situation so far as the assessment of Stamp Duty is concerned.

“We have had a long enquiry in this case, which I do not think I need detail, but it comes to this, that for the convenience of everybody - and I have no doubt it is most convenient and a perfectly proper plan - the Inland Revenue are in the habit of allowing persons to bring their deeds which are going to be stamped, and to have a sort of provisional opinion given as to what the stamp should be. It is only a provisional opinion, because everybody knows that it does not carry finality. If a person wants to be perfectly certain of the amount, and to be perfectly certain that that amount will never be questioned thereafter by the Inland Revenue, there is a well-known and statutory way of doing it, namely, by asking for an adjudication stamp, and, of course, if he gets an adjudication stamp, then the mouth of the Inland Revenue is shut forever upon the question of the amount of the stamp. But side by side with that which is the method when it is wanted to make the thing absolutely certain, there is the very convenient method which I have described.”

The vast majority of transactions where adjudication is not required by statute proceed along the method described.

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