HMRC - STSM022210 - Stamp Duty: Sales To Intermediaries

FA86/S80A 1986 provides relief from Stamp Duty, subject to certain conditions, for the transfer of stock to a recognised ‘intermediary’. Intermediaries may be recognised as such by the trading platform (i.e. Regulated Market (RM) , Multilateral Trading Facility (MTF), Recognised Foreign Exchange (RFE) or Recognised Foreign Options Exchange (RFOE)) of which they are a member, or directly by HMRC if they are not, and are not intending, to become a member of any trading platform.

Intermediary

An intermediary is a person who carries on a bona fide business of dealing in stock and does not carry on an excluded business.

Excluded businesses are:

any business which consists wholly or mainly in the making or managing of investments

any business which consists wholly or mainly in, or is carried on wholly or mainly for the purpose of, providing services to persons who are connected with the person carrying on the business

any business which consists in insurance business

any business which consists in managing or acting as trustee in relation to a pension scheme or which is carried on by the manager or trustee of such a scheme in connection with or for the purposes of the scheme

any business which consists in operating or acting as trustee in relation to a collective investment scheme or is carried on by the operator or trustee of such a scheme in connection with or for the purposes of the scheme

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The conditions

Members of regulated markets (section 80A(1))

the person is an intermediary and recognised as such by the market

the particular stock is regularly traded on that market

relief is available wherever the trade is executed

Members of MTFs or RFEs (section 80A(1A))

the person is an intermediary and recognised as such by the facility or exchange

the particular stock is regularly traded on that facility/exchange

the sale is effected on the facility/exchange (i.e.it is subject to the rules of, and is reported to, that facility/exchange)

Non - members of RMs, MTFs or RFEs (section 80A(1B) and (1C))

the person is an intermediary who has been approved for section 80A purposes by HMRC

stock of the particular kind is regularly traded on an RM, MTF or RFE

if the stock is not regularly traded on a regulated market, the trade must be subject to the rules of, and reported to, the relevant MTF or RFE.

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How to claim the relief

Documents for stamping should be sent to Birmingham Stamp Office together with evidence that the conditions of the relief have been met.

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