HMRC - STSM022220 - Stamp Duty: Sales To Options Intermediaries

FA86/S80A 1986 provides relief from Stamp Duty, subject to certain conditions, for the transfer of stock to a recognised ‘intermediary’. Options 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.

Options Intermediary

An options intermediary is a person who carries on a bona fide business of dealing in quoted or listed options 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

Top of page

The conditions

Members of regulated markets (section 80A(2))

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

options of that type are regularly traded on that market

relief is available wherever the trade is executed

Members of MTFs , RFEs or RFOEs(section 80A(2A))

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

options of that type are 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, (section 80A(2B)

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

options to buy or sell stock of that kind are regularly traded on a RM, MLF, RFE or RFOE

stock of that kind is regularly traded on a regulated market

Non - members of MTFs, RFEs and RFOEs (section 80A (2C))

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

options to buy or sell stock of that kind are regularly traded on an RM, MTF or RFE

the sale is effected on a relevant qualifying exchange

Top of page

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.

Previous page

Next page