HMRC - STSM031010 - Rates Of Tax

Under FA86/S87, the principal charge to Stamp Duty Reserve Tax (SDRT) applies to agreements to transfer chargeable securities for consideration in money or money’s worth

regardless of whether there is an instrument of transfer

regardless of whether the agreement is completed

whether the transaction takes place in the UK or overseas and

whether the parties to the transaction are resident in the UK or elsewhere.

The principal charge to SDRT is at the rate of 0.5 per cent of the amount or value of the consideration. Where the agreement is subsequently completed by a stock transfer form stamped with ad valorem duty under the stamp duty regime, the SDRT charge is cancelled and repayment made if appropriate (FA86/S92).

A special 1.5 per cent higher rate charge to SDRT applies to the transfer of chargeable securities into depository receipt systems and clearance services.

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