HMRC - STSM031100 - Chargeable Securities - Stocks, Shares And Loan Capital

Stocks, shares or loan capital: FA86/S99 (3)(a)

Chargeable securities include equities in UK companies in the form of stocks and shares. Since most ‘plain vanilla’ loan capital is exempt from stamp duty, it is also exempt from SDRT, but loan capital in the form of convertible loan notes or convertible bonds is a chargeable security.

An agreement to transfer chargeable securities must be an assignment of a pre-existing proprietary interest in those securities, so there is no charge on the issue of new stocks, shares or loan capital and SDRT only arises when stocks and shares are transferred or convertible loan notes or bonds are traded on the secondary market.

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