HMRC - STSM041270 - Exemptions: Growth Market Shares - SDRT Exemption

FA2014/SCH24 amends s99 FA 1986 to exempt from the SDRT charge, securities admitted to trading on a recognised growth market but not listed on any recognised stock exchange.

‘Admitted to trading’ refers to the admission to trading of securities on a market in accordance with the rules of that market.

‘Listed’ is defined at s1005(3)-(5) Income Tax Act 2007 - broadly it means listed on a recognised stock exchange and included in an official list

A list of recognised stock exchanges can be seen at HM Revenue & Customs: recognised stock exchanges. (please see ). Tables 1 and 2 show which exchanges are recognised stock exchanges.

A list of recognised growth markets can be viewed at STSM041330

The exemption applies from 28 April 2014.

Eligible securities qualify for the exemption wherever they are traded and will be designated as exempt for SDRT in CREST (the system that settles transactions and collects SDRT) at a static data level.

Euroclear UK & Ireland (EUI), the company that operates CREST, maintains a list of securities which are eligible for the exemption. The list can be viewed by accessing the EUI website: Euroclear/growth market stamp exemption @ .

To ensure its securities are correctly flagged in CREST, a company should complete and submit any self-certificate/notification required by the recognised growth market concerned or EUI.

It’s possible that a customer purchased eligible securities, but was charged stamp taxes, for instance between a security becoming eligible for the exemption and the CREST settlement system being updated. A customer who purchased eligible securities and was charged SDRT incorrectly, should apply to the Birmingham Stamp Office for a refund. There’s guidance on how to do this on theHMRC website ()

A customer may have purchased securities for which exemption was incorrectly claimed when inputting the details of the transaction into CREST. In such cases, a CREST member may be able to cancel the transaction and re-instruct with the correct stamp payable flag; or pay on a non-settling own account transfer (NC OAT); or account for SDRT outside of CREST, making payment directly to HMRC. Further details about paying SDRT: Pay Stamp Duty Reserve Tax - Detailed guidance -GOV.UK (https://www.gov.uk/pay-stamp-duty-reserve-tax)

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