HMRC - STSM053050 - Arrangement

An arrangement as described in FA86/S93 (1) and FA86/S96 (1) embraces not only:

the actions referred to in those sub-sections as being carried out in pursuance of the arrangement i.e. chargeable securities are transferred to a depositary receipt issuer (or the receipt issuer’s agent or nominee) or to an operator of a clearance service,

but also

an immediate prior purchase of securities made with the specific intent that the securities be deposited for conversion into a depositary receipt or delivery into a clearance service system.

Consequently, if there is a specific intention to purchase shares of a United Kingdom incorporated company for simultaneous depositing or delivering such securities to a depositary receipt issuer or clearance service, the provisions of FA86/S90 (4) provide an exemption from the general 0.5 per cent charge to Stamp Duty Reserve Tax (SDRT) under FA86/S87.

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