HMRC - STSM056020 - Notification Requirement FA86/S68 And FA86/S71

The provisions in FA86/S68 & FA86/S71 place an obligation upon:

a depositary receipt issuer or an operator of a clearance service (or their respective nominee or agent) to notify the Commissioners for HM Revenue & Customs of the business being undertaken before the end of the period of one month beginning with the date on which he first issues a depositary receipt, or provides clearance services or holds relevant securities. Failure to notify may result in a penalty being levied not exceeding £1000 being levied,

and

a company, incorporated in the United Kingdom, that becomes aware that its shares are held with a depositary receipt (or its nominee) or clearance service (or its nominee) system, to notify the Commissioners for HM Revenue & Customs, Stamp Taxes of that fact before the end of the period of one month beginning with the date on which the company first became aware of that fact. Failure to notify may result in a penalty not exceeding £100 being charged.

See STSM056040 for a list of companies that have notified the Commissioners that securities are held with a depositary receipt (or its nominee) or clearance service (or its nominee) system and therefore will be accountable for stamp duty or Stamp Duty Reserve Tax (SDRT) charges at the rate of 1.5 per cent.

In addition to those listed, a depositary receipt issuer (or its nominee) or clearance service (or its nominee) can open and maintain an account with a third party in the United Kingdom, commonly a stock exchange member firm, under which a 1.5 per cent SDRT charge will be accounted for and paid by the third party in CREST. A separate list of these third parties is available from the Euroclear UK & Ireland Ltd website.

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