HMRC - STSM103005 - Collectives: FA99/SCH19 Charge On Units Surrendered Prior To 30 March 2014: Abolition

Treatment from 6th February 2000 to 29th March 2014

Section 122 and Paragraph 2(1) of Schedule 19 of the Finance Act 1999 introduced, with effect from 6 February 2000, a Stamp Duty Reserve Tax (SDRT) charging regime where:

A person authorises or requires the trustees or managers under a unit trust scheme to treat him as no longer interested in a unit under the scheme, or

A unit under a unit trust scheme is surrendered or transferred to the managers of the scheme, and the unit is a chargeable security.

Corresponding changes were made to the SDRT regime for transactions in shares in an open-ended investment company (OEIC) by virtue of SI 1997/1156 (as amended).

For units (or OEIC shares) which are surrendered and notified to the manager of the unit trust (or OEIC) prior to 30 March 2014, STSM103020 and STSM104000 provides information on when and how a charge to SDRT under Schedule 19 arises and the person liable for sending notification and payment of the tax.

Treatment from 30th March 2014

The SDRT Schedule 19 charge on surrenders of units was however abolished with effect from 30 March 2014 (FA2014/S114(1)), and the provisions of FA86/S90(1) ensure no 0.5% SDRT charge under FA86/S87 applies when there is an agreement to transfer a unit under a unit trust scheme to or from the manager of that scheme.

See STSM101020 for the meaning of a unit trust

See STSM101050 for the meaning of an OEIC