HMRC - STSM103080 - Scope Of Stamp Duty Reserve Tax (SDRT)

A charge to Stamp Duty Reserve Tax (SDRT) charge under FA99/SCH19 can arise on the surrender of a unit in a unit trust or a share in an Open-Ended Investment Company (OEIC) provided such units or OEIC shares come within the definition of ‘chargeable securities’ for the purposes of FA86/S99(3) . This generally means that the units or OEIC shares must be in:

a unit trust or OEIC fund which is incorporated in the United Kingdom (UK); or

a unit trust or OEIC fund where the trustees of the fund are resident within the UK; or

an overseas OEIC that keeps and maintains a register of its shares in the UK; or

a unit trust/OEIC, the terms of which the trust or OEIC property is able to invest in and hold investments that come within the definition of ‘chargeable securities’ at FA86/S99(3) .

In this situation, the FA99/SCH19 SDRT charge is mandatory and arises irrespective of whether the surrender of units/OEIC shares was made or effected in the UK or whether any party to the transaction is resident or located within or outside of the UK (Regulation 2(2) of FA99/SCH99).

The FA99/SCH19 charge applies only to units and OEIC shares which are surrendered and transferred prior to 30 March 20104. See STSM103005

See STSM101020 for the meaning of a unit trust.

See STSM101050 for the meaning of an OEIC

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