HMRC - STSM104080 - Information Required In A Monthly Stamp Duty Reserve Tax Notice

As an accountable person under Regulation 2 of the Stamp Duty Reserve Tax Regulations 1986 (SI 1986/1711), the manager (or the Trustee) of a unit trust or the authorised corporate director of an Open-Ended Investment Company (OEIC) (or the OEIC itself) is required on or before the accountable date by virtue of Regulation 4 of the same Regulations, to:-

give notice of each charge to tax under FA99/SCH19; and

pay the Stamp Duty Reserve Tax (SDRT) due.

A monthly notice will cover a four or five week period of surrendered and issued units or OEIC shares and will comprise of four or five subsidiary calculations. While the form of notice has not been prescribed by HM Revenue & Customs, in order to carry out the calculation for a particular charging week (Wk1), for which it is necessary to take into account movements in the immediately following week (Wk2), the following information is required to be included in a written notice:-

Number of units/OEIC shares surrendered in Wk1 (excluding exempt third party transfers and all in specie redemptions) and the aggregate value, at the time of each surrender, of those units/OEIC shares;

Number of units/OEIC shares surrendered in Wk2 (excluding exempt third party transfers and all in specie redemptions);

Number and aggregate value of units/OEIC shares surrendered due to non-pro rata in specie redemptions in Wk1;

Aggregate number of units/OEIC shares issued in Wk1 & Wk2 (excluding exempt third party transfers);

The market value of the non-exempt investments (N) and the exempt investments (E) taken as a simple average of the respective valuations that represent the relevant two week period. (The pattern of the valuation points should follow consistent established practice). If it is necessary to depart from this practice, the reason should be given on the relevant notice.

While the following information is not part of the SDRT calculation, a fund manager/authorised corporate director will need to declare on the notice:-

Number of units/OEIC shares surrendered as a result of pro rata in specie redemptions in Wk1; and

Number of units/OEIC shares subject to exempt third party transfers in Wk1.

Where there is a charge to SDRT, a monthly notice is required to be sent to HMRC. But where there is no charge to SDRT for a particular month (for example, where funds in a unit trust/OEIC are invested in wholly exempt investments) no notice is necessary.

Annex A (STSM104090) gives an example of the information required to be included and the calculations needed to determine the total SDRT amount for the relevant month.

See STSM101020 for the meaning of a unit trust.

See STSM101050 for the meaning of an open-ended investment company.

See STSM103060 for the meaning of the accountable date.

See STSM104060 for the meaning of exempt and non-exempt investments.

See STSM104070 for the meaning of ‘average value’.

See STSM105100 for the meaning of an in specie redemption.

See STSM106000 for the meaning of Third Party transactions.

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