HMRC - STSM107090 - Mergers, Partitions And Reconstructions Of Authorised Unit Trusts And Open-Ended Investment Companies - Stamp Duty

HMRC accepts that following the principles established in the case of Save & Prosper Securities Ltd v CIR (Sp.C 251), an amalgamation, partition or reconstruction of Authorised Unit Trusts (AUTs) or Open-Ended Investment Companies (OEICs) (or sub-funds of a AUT or OEIC) that takes its effect under a scheme of arrangement will not be regarded as a transfer on sale and therefore not subject to ad valorem stamp duty.

The scheme of arrangement, however, must take its effect by virtue of:

section 251 of the Financial Services and Markets Act 2000 or Regulation 21 of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and

The appropriate section of the Financial Conduct Authority Handbook of Rules & Guidance.

See STSM101030 for the meaning of an authorised unit trust.

See STSM101050 for the meaning of an Open-Ended Investment Company.

See STSM107050 for stamp implications on the conversion of an authorised unit trust to an Open-Ended Investment Company.

See STSM107060 for stamp implications on the amalgamation of an authorised unit trust to an Open-Ended Investment Company.

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