HMRC - STSM132030 - CREST: CREST & SDRT: Accounting To HMRC For SDRT

Although it is the purchaser of shares who is liable to pay any SDRT due, it is the “accountable person”, under Regulation 4 of the SDRT Regulations 1986 (SI 1986/1711), who is actually responsible for notifying HMRC of the transaction and paying the tax due.

The “accountable person” will normally be the broker acting for the purchaser. However, where share deals are input by participants into an electronic paperless system, with stock and consideration money (which includes SDRT) effectively settled by the operator of that system on their behalf, different arrangements apply. These ensure that, where tax is deducted and collected by the operator, it is promptly paid to HMRC Stamp Taxes.

Under the provisions of Regulation 4A of the SDRT Regulations, the operator of an electronic settlement system is required to give notice of every securities transaction that is reported by participants to the system, and forward payment of SDRT that the operator has deducted and collected from all relevant system participants.

(This content has been withheld because of exemptions in the Freedom of Information Act 2000)

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