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STATUTORY INSTRUMENTS

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**2013 No. 1401**

**STAMP DUTY  
STAMP DUTY RESERVE TAX**

**The Stamp Duty and Stamp Duty Reserve Tax (Collective  
Investment Schemes) (Exemptions) Regulations 2013**

<i>Made</i>	- - - -	<i>6th June 2013</i>
<i>Laid before the House of Commons</i>	- - - -	<i>7th June 2013</i>
<i>Coming into force</i>	- -	<i>28th June 2013</i>

The Treasury, in exercise of the powers conferred by section 217(1) to (4) and (7) of the Finance Act 2012<sup>(1)</sup>, makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Stamp Duty and Stamp Duty Reserve Tax (Collective Investment Schemes) (Exemptions) Regulations 2013 and come into force on 28th June 2013

**Amendment of Part IV of the Finance Act 1986**

2. Part IV of the Finance Act 1986<sup>(2)</sup> (stamp duty reserve tax) is amended as follows.

3. After section 90(7A)<sup>(3)</sup> insert—

“(7B) Section 87 above does not apply as regards—

(a) an agreement to transfer chargeable securities—

(i) to a depositary under an authorised contractual scheme, to be held as part of the property subject to the scheme, in exchange for the issue of units in the scheme (and for no other consideration);

(ii) between depositaries under the same authorised contractual scheme;

(b) an agreement to transfer units in an authorised contractual scheme.

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<sup>(1)</sup> 2012 c. 14.

<sup>(2)</sup> 1986 c. 41.

<sup>(3)</sup> Section 90(7A) was inserted by paragraph 3 of Schedule 40 to the Finance Act 2003 (c. 14).

(7C) In subsection 7(B), “authorised contractual scheme” has the meaning given in section 237(3) of the Financial Services and Markets Act 2000<sup>(4)</sup> and “depository” and “units” have the meaning given in section 237(2) of that Act.

(7D) Subsection (7B) shall not apply where the agreement forms part of arrangements of which the main purpose, or one of the main purposes, is the avoidance of stamp duty or stamp duty reserve tax.”.

#### **Amendment of Part IV of Schedule 13 to the Finance Act 1999**

4. Part IV of Schedule 13 (stamp duty: general exemptions) to the Finance Act 1999<sup>(5)</sup> is amended as follows.

5. After paragraph 25 insert—

“**25A.**—(1) Subject to sub-paragraph (3), stamp duty is not chargeable under this Schedule on —

- (a) the transfer of stock, marketable securities or an interest in a partnership to a depository under an authorised contractual scheme, to be held as part of the property subject to the scheme, in exchange for the issue of units in the scheme (and for no other consideration);
- (b) transfers between depositaries under the same authorised contractual scheme;
- (c) the transfer of units in an authorised contractual scheme.

(2) In sub-paragraph (1), “authorised contractual scheme” has the meaning given in section 237(3) of the Financial Services and Markets Act 2000 and “depository” and “units” have the meaning given in section 237(2) of that Act.

(3) This paragraph shall not apply where the transfer forms part of arrangements of which the main purpose, or one of the main purposes, is the avoidance of stamp duty or stamp duty reserve tax.”.

6th June 2013

*David Evennett*  
*Desmond Swayne*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(4) 2000 c. 8. The definition of “authorised contractual scheme” was inserted in section 237(3) by regulation 3(6)(c)(i) of the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388). Section 261D(1) (which is referred to in that definition) was inserted by regulation 3(12) of those Regulations.

(5) 1999 c. 16.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which come into force on 28th June 2013, amend the stamp duty legislation contained in Schedule 13 to the Finance Act 1999 (“Schedule 13”) and the stamp duty reserve tax legislation contained in Part IV of the Finance Act 1986 (“FA 86”). They amend the primary legislation to provide exemptions for certain transactions relating to certain collective investment schemes. The schemes concerned are contractual schemes provided for by a new section 235A of the Financial Services and Markets Act 2000 (“FSMA”) which was inserted by regulation 3 of the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (“the principal Regulations”).

The principal Regulations amend FSMA to enable the UK regulator to authorise tax transparent collective investment schemes to be constituted by contractual arrangements. This authorisation is made under the Directive of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (2009/65/EC)(6), known as the “UCITS IV Directive”. These regulations amend the relevant primary legislation to provide an appropriate stamp duty and stamp duty reserve tax treatment for transactions relating to the new schemes.

These Regulations complement the Collective Investment Schemes (Tax Transparent Funds and Schemes of Reconstruction) Regulations 2013 which make amendments to provide an appropriate tax on the chargeable gains regime for the new contractual funds.

Regulation 3 inserts three new subsections, (7B), (7C) and (7D), into section 90 of FA 86. Subsection (7B) excepts from stamp duty reserve tax agreements to transfer chargeable securities in circumstances that it prescribes. Subsection (7C) defines the expressions “authorised contractual scheme”, “depository” and “units”. Subsection (7D) disapplies the exceptions where an agreement forms part of arrangements to avoid stamp duty or stamp duty reserve tax.

Regulation 5 inserts a new paragraph 25A into Schedule 13. Paragraph 25A(1) exempts from a stamp duty charge transfers on sale in circumstances that it prescribes which are the same circumstances prescribed in the new section 90(7B) of FA 86. Paragraph 25A(2) defines “authorised contractual scheme”, “depository” and “units” in the same terms as the new section 90(7C) of FA 86. Paragraph 25A(3) disapplies the exemptions where a transfer forms part of arrangements to avoid stamp duty or stamp duty reserve tax.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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(6) OJ No L 302, 17.11.2009, p32.