
STATUTORY INSTRUMENTS

1999 No. 3264

TAXES

**The Stamp Duty Reserve Tax
(Amendment No. 2) Regulations 1999**

<i>Made</i>	- - - -	<i>7th December 1999</i>
<i>Laid before the House of Commons</i>	- - - -	<i>8th December 1999</i>
<i>Coming into force</i>	- -	<i>6th February 2000</i>

The Treasury, in exercise of the powers conferred on them by section 98 of the Finance Act 1986(1) and section 121 of the Finance Act 1999(2), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Stamp Duty Reserve Tax (Amendment No. 2) Regulations 1999 and shall come into force on 6th February 2000.

(2) These Regulations shall have effect in relation to any surrender occurring on or after 6th February 2000.

Interpretation

2. In these Regulations—

“the Management Act” means the Taxes Management Act 1970(3);

“the principal Regulations” means the Stamp Duty Reserve Tax Regulations 1986(4) and “regulation” means a regulation of the principal Regulations;

“surrender” shall be construed in accordance with sub-paragraph (1) of paragraph 2 of Schedule 19 to the Finance Act 1999 (surrender of units to managers) and in accordance with that sub-paragraph as modified in relation to open-ended investment companies by the Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997(5).

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- (1) 1986 c. 41. Section 98 was amended by section 195 of the Finance Act 1996 (c. 8). Section 98, together with the remainder of Part IV of the Finance Act 1986 (comprising sections 86 to 99), was repealed by sections 110 and 111(1) of, and Part VII of Schedule 19 to, the Finance Act 1990 (c. 29) with effect from a day to be appointed.
- (2) 1999 c. 16. Section 121 was repealed by section 123(3) of, and Part V(6) of Schedule 20 to, the Finance Act 1999 with effect in accordance with section 110 of the Finance Act 1990.
- (3) 1970 c. 9.
- (4) S.I. 1986/1711. Relevant amending instruments are S.I. 1988/835, S.I. 1993/3110, S.I. 1997/2430 and S.I. 1999/2383.
- (5) S.I. 1997/1156 as amended by S.I. 1999/3261.

Amendments to the principal Regulations

- 3.—(1) Regulation 2 shall be amended as follows.
- (2) In the definition of “accountable date”⁽⁶⁾—
- (a) the word “and” immediately following paragraph (b) shall be omitted;
 - (b) after paragraph (c) there shall be added
“, and
 - (d) in relation to a surrender, the date which is the fourteenth day of the month following the month in which the relevant two week period ends;”.
- (3) In the definition of “accountable person”⁽⁷⁾—
- (a) the word “and” immediately following paragraph (d) shall be omitted;
 - (b) after paragraph (e) there shall be added
“, and
 - (f) in relation to a charge on the surrender of a unit under paragraph 2(1) of Schedule 19 to the Finance Act 1999—
 - (i) the managers of the unit trust scheme and, failing that,
 - (ii) the trustees of the unit trust scheme;
 - (g) in relation to a charge on the surrender of a share in an open-ended investment company under paragraph 2(1) of Schedule 19 to the Finance Act 1999—
 - (i) the authorised corporate director of the company and, failing that,
 - (ii) the company;”
- (4) After the definition of “accountable person” there shall be inserted the following definition—
““authorised corporate director” and “open-ended investment company”, have the meanings given by regulation 2⁽⁸⁾ of the Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997;”.
- (5) After the definition of “relevant transaction” there shall be inserted the following definition—
““relevant two-week period” has the meaning given by paragraph 4(2) of Schedule 19 to the Finance Act 1999;”.
- (6) After the definition of “Special Commissioners” there shall be inserted the following definition—
““surrender” shall be construed in accordance with paragraph 2(1) of Schedule 19 to the Finance Act 1999 (surrender of units to managers);”.
- (7) After the definition of “tax” there shall be inserted the following definitions—
““unit” and “unit trust scheme” have the meanings given by paragraph 14 of Schedule 19 to the Finance Act 1999.”
4. After regulation 2 there shall be inserted the following regulation—
“**2A.** References in these Regulations to any of the provisions of Schedule 19 to the Finance Act 1999 shall be construed as including references to those provisions as modified in relation to open-ended investment companies by the Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997.”

⁽⁶⁾ Substituted by S.I. [1997/2430](#), regulation 3(a).

⁽⁷⁾ Amended by S.I. [1988/835](#), regulation 3, and S.I. [1997/2430](#), regulation 3(b).

⁽⁸⁾ Amended by S.I. [1999/3261](#), regulation 3.

5. In regulation 3 after the words “the Act” there shall be inserted “, or under paragraph 2(1) of Schedule 19 to the Finance Act 1999,”.

6.—(1) Regulation 4(9) shall be amended as follows.

(2) In paragraph (1) for the words from “An accountable person” to “or where” there shall be substituted the words “Subject to paragraph (3), an accountable person, except where”.

(3) After paragraph (2) there shall be added the following paragraph—

“(3) This regulation shall not apply where—

- (a) the tax in question has been accounted for by the operator under regulation 4A, or
- (b) regulation 4B applies to the accountable person.”

7. After regulation 4A(10) there shall be inserted the following regulation—

“4B.—(1) An accountable person in relation to a charge to tax on a surrender shall on or before the accountable date—

(a) give notice to the Board—

- (i) detailing all surrenders for which the relevant two-week period ends in the month preceding that in which the accountable date falls, and
- (ii) setting out the total of any reductions under paragraphs 4 and 5 of Schedule 19 to the Finance Act 1999 of the amounts of tax chargeable on those surrenders;
- (iii) identifying those surrenders to which paragraph 6 or 7 of Schedule 19 to the Finance Act 1999 applies, and
- (iv) stating the total amount of tax due and payable, and

(b) pay the tax due.

(2) A notice under this regulation shall be given—

- (a) in relation to each unit trust scheme of which the accountable person is the manager or trustee; and
- (b) in relation to each open-ended investment company of which the accountable person is the authorised corporate director, or in relation to an open-ended investment company which is the accountable person.

(3) A notice under this regulation shall be in such form as the Board may prescribe or authorise and shall contain such information as they may reasonably require for the purposes of the Act and Part II of Schedule 19 to the Finance Act 1999.”

8.—(1) Regulation 6(11) shall be amended as follows.

(2) In paragraph (1) after the word “transaction” in all places where it appears there shall be inserted the words “or surrender”.

(3) In paragraph (4)—

- (a) after the word “transaction” there shall be inserted the words “or surrender”;
- (b) in sub-paragraph (a) for “4 or 4A” there shall be substituted “4, 4A, or 4B”.

(4) In paragraph (6) after the words “the Act” there shall be inserted the words “, and, where appropriate, Part II of Schedule 19 to the Finance Act 1999”

(9) Amended by S.I. 1997/2430, regulation 4.

(10) Inserted by S.I. 1997/2430, regulation 5.

(11) Amended by S.I. 1997/2430, regulation 6.

9. In regulation 7–

- (a) For the words from “If on a claim” to “section 91 of the Act,” there shall be substituted the following–
 “If on a claim–
- (a) in relation to a charge under section 87(12) of the Act, an accountable person or an operator, other than a person liable under section 91(13) of the Act, or
 - (b) in relation to a charge under paragraph 2(1) of Schedule 19 to the Finance Act 1999, an accountable person, other than a person liable under paragraph 2(3) of that Schedule,”;
- (b) for “4 or 4A” there shall be substituted “4, 4A or 4B”.

10.—(1) Regulation 13(14) shall be amended as follows.

(2) In paragraph (1)–

- (a) after the word “transaction” there shall be inserted the words “or surrender”;
- (b) for “4 or 4A” there shall be substituted “4, 4A or 4B”.

(3) In paragraph (2)–

- (a) after the words “the Act” there shall be inserted the words “or under paragraph 2(1) of Schedule 19 to the Finance Act 1999,”;
- (b) for “4 or 4A” there shall be substituted “4, 4A or 4B”.

11. In regulation 14(1) after the word “transaction” there shall be inserted the words “or surrender”.

Amendments to Part I of the Schedule to the principal Regulations

12.—(1) The Table in Part I of the Schedule to the principal Regulations (which applies the provisions of the Management Act specified in the first column of that Table subject to any modification specified in the second column of that Table) shall be amended as follows.

(2) In the entries relating to sections 93(1)(15), 95(1)(16) and 99(17) for “4 or 4A” there shall be substituted “4, 4A or 4B”.

(3) In the entry relating to section 98(18) in the second column for “4 and 4A” there shall be substituted “4, 4A and 4B”.

(12) Section 87 was amended by sections 188(1), 192(1) and 194(1) of, and Part VII of Schedule 41 to, the Finance Act 1996, and section 106(1) to (3) of, and Part VII of Schedule 18 to, the Finance Act 1997 (c. 16).

(13) Section 90 was amended by section 100(2) of, and Part IV of Schedule 9 to, the Finance (No. 2) Act 1987 (c. 51).

(14) Amended by S.I. 1993/3110, regulations 1, 2, and 5, and S.I. 1997/2430, regulation 9.

(15) Section 93(1) was substituted by paragraph 25 of Schedule 19 to the Finance Act 1994 (c. 9). The entry relating to section 93(1) was substituted by S.I. 1997/2430, regulation 11(4).

(16) Section 95(1) was amended by section 148 of the Finance Act 1988 (c. 39), section 163(1)(a) of the Finance Act 1989 (c. 26), and paragraph 27 of Schedule 19 to the Finance Act 1994. The entry relating to section 95(1) was substituted by S.I. 1997/2430, regulation 11(5).

(17) Section 99 was substituted by section 66 of the Finance Act 1989. The entry relating to section 99 was substituted by S.I. 1993/3110, regulation 7(10), and amended as substituted by S.I. 1997/2430, regulation 11(7).

(18) Relevant amendments to section 98 were made by section 164 of the Finance Act 1989 and section 68(3) of the Finance Act 1990. The entry relating to section 98 was amended by S.I. 1993/3110, regulation 7(9), S.I. 1994/1813, regulation 30(4), S.I. 1997/2430, regulation 11(6) and S.I. 1999/2383, regulation 5.

Amendments to Part II of the Schedule to the principal Regulations

13.—(1) Part II(19) of the Schedule to the principal Regulations (which restates the provisions of the Management Act specified in Part I of that Schedule as modified where appropriate) shall be amended as follows.

(2) In sections 93(1), 95(1)(a) and 99 (as so modified) for “4 or 4A” there shall be substituted “4, 4A or 4B”.

(3) In the second column of the Table in section 98 (as so modified) for “4 and 4A” there shall be substituted “4, 4A and 4B”.

7th December 1999

Bob Ainsworth
Greg Pope
Two of the Lords Commissioners of Her
Majesty’s Treasury

(19) Relevant amendments to Part II of the Schedule were made by S.I. [1993/3110](#), regulation 8(12), S.I. [1997/2430](#), regulation 12(3) to (6), and S.I. [1999/2383](#), regulation 6.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Stamp Duty Reserve Tax Regulations 1986 (“the principal Regulations”).

The amendments reflect the introduction by section 122(4) of, and Part II of Schedule 19 to, the Finance Act 1999 of a new charge to stamp duty reserve tax on certain surrenders of units under a unit trust scheme. A similar regime applies to surrenders of shares in open-ended investment companies by virtue of the Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997 (S.I.1997/1156) as amended by S.I. 1999/3261.

The amendments ensure that the managers, or trustees, of unit trusts (or the authorised corporate director of an open-ended investment company, or the company itself) account for and pay stamp duty reserve tax incurred in connection with surrenders. Like the new charges, the amendments have effect in relation to surrenders occurring on or after 6th February 2000.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 amends existing, and inserts new, definitions (including a definition of “surrender”) in regulation 2 of the principal Regulations.

Regulation 4 inserts a new regulation 2A in the principal Regulations.

Regulation 5 amends regulation 3 of the principal Regulations so that it refers to stamp duty reserve tax charged under paragraph 2(1) of Schedule 19 to the Finance Act 1999.

Regulation 6 amends regulation 4(1) of the principal Regulations in consequence of the insertion by regulation 7 of new regulation 4B in the principal Regulations.

Regulation 7 inserts a new regulation 4B in the principal Regulations relating to the accountability for stamp duty reserve tax of the manager and trustees (or the authorised corporate director and the open-ended investment company).

Regulations 8 to 11 amend regulations 6, 7, 13 and 14 of the principal Regulations in consequence of the new charge to stamp duty reserve tax on surrenders and the accountability of the manager and trustees (or the authorised corporate director and the open-ended investment company).

Regulation 12 amends the Table in Part I of the Schedule to the principal Regulations by amending the entries relating to sections 93, 95, 98 and 99 of the Taxes Management Act 1970 (“the Management Act”). The amendments reflect the accountability of the manager and trustees (or the authorised corporate director and open-ended investment company).

Regulation 13 amends Part II of the Schedule to the principal Regulations by amending sections 93, 95, 98 and 99 of the Management Act as modified.