

SCHEDULES

SCHEDULE 11

section 20

CAPITAL-RAISING ARRANGEMENTS ETC

PART 1

DEPOSITARY RECEIPTS AND CLEARANCE SERVICES

Introduction

1 FA 1986 is amended as follows.

Stamp duty

2 In section 67 (stamp duty: depositary receipts)—

- (a) in the heading, at the end insert “1.5% charge”;
- (b) in subsection (1) omit “(other than a bearer instrument)”;
- (c) after that subsection insert—

“(1A) For the purposes of subsection (1) “instrument” does not include—

- (a) a bearer instrument (see subsection (9A));
 - (b) an exempt capital-raising instrument (see [section 72ZA](#));
 - (c) an exempt listing instrument (see [section 72ZB](#)).”;
- (d) after subsection (9) insert—

“(9ZA) Where an instrument transfers shares in a company which are held by the company (whether in accordance with section 724 of the Companies Act 2006 (treasury shares) or otherwise), subsections (2) to (5) do not apply and stamp duty is not chargeable on the instrument.”

3 In section 69 (depositary receipts: supplementary), in subsection (1), in the words before paragraph (a), for “sections 67 and 68 above” substitute “sections 67, 68 and [72ZB](#)”.

4 In section 70 (stamp duty: clearance services)—

- (a) in the heading, at the end insert “1.5% charge”;
- (b) in subsection (1) omit “(other than a bearer instrument)”;
- (c) after that subsection insert—

“(1A) For the purposes of subsection (1) “instrument” does not include—

- (a) a bearer instrument (see subsection (9A));
- (b) an exempt capital-raising instrument (see [section 72ZA](#));
- (c) an exempt listing instrument (see [section 72ZB](#)).”;

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(d) after subsection (9) insert—

“(9ZA) Where an instrument transfers shares in a company which are held by the company (whether in accordance with section 724 of the Companies Act 2006 (treasury shares) or otherwise), subsections (2) to (5) do not apply and stamp duty is not chargeable on the instrument.”

5 After section 72 (clearance services: supplementary) insert—

“Meaning of “exempt capital-raising instrument” and “exempt listing instrument”

72ZA Meaning of “exempt capital-raising instrument”

- (1) For the purposes of sections 67 and 70, an instrument is an “exempt capital-raising instrument” if the instrument transfers relevant securities in the course of capital-raising arrangements.
- (2) In this section, “capital-raising arrangements” means arrangements pursuant to which relevant securities are issued by a company for the purpose of raising new capital.
- (3) An instrument is not prevented from being an exempt capital-raising instrument by reason only of a delay in transferring relevant securities where—
 - (a) a person (“the transferor”) acquires the relevant securities—
 - (i) before capital-raising arrangements are entered into, or
 - (ii) in the course of capital-raising arrangements,
 - (b) the transferor is subject to a restriction that has the effect of preventing the transfer of the relevant securities in the course of the capital-raising arrangements, and
 - (c) the instrument transfers the relevant securities as soon as reasonably practicable after the time at which the restriction ceases to have effect.

72ZB Meaning of “exempt listing instrument”

- (1) For the purposes of sections 67 and 70, an instrument is an “exempt listing instrument” if—
 - (a) the instrument transfers relevant securities of a company in the course of qualifying listing arrangements, and
 - (b) those arrangements do not affect the beneficial ownership of the relevant securities.
- (2) In this section, “listing arrangements” means arrangements pursuant to which relevant securities, or depositary receipts for relevant securities, are listed on a recognised stock exchange.
- (3) For the purposes of this section, listing arrangements are “qualifying” if, immediately before the first transfer of relevant securities in the course of the listing arrangements, no relevant securities in the company or depositary receipts for relevant securities in the company are listed on the recognised stock exchange to which the listing arrangements relate.

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- (4) An instrument is not prevented from being an exempt listing instrument by reason only of a delay in transferring relevant securities where—
- (a) a person (“the transferor”) acquires the relevant securities before qualifying listing arrangements are entered into,
 - (b) the transferor is subject to a restriction that has the effect of preventing the transfer of the relevant securities in the course of the qualifying listing arrangements, and
 - (c) the instrument transfers the relevant securities as soon as reasonably practicable after the time at which the restriction ceases to have effect.
- (5) Section 1005 of the Income Tax Act 2007 (meaning of “recognised stock exchange”, “listed” etc) applies in relation to this section as it applies in relation to the Income Tax Acts.”

Stamp duty reserve tax

- 6 (1) Section 90 (section 87: other exceptions) is amended as follows.
- (2) In subsection (3C)—
- (a) at the end of paragraph (a) insert “and”;
 - (b) omit paragraph (b).
- (3) In subsection (3E) omit paragraph (b).
- (4) In subsection (4)—
- (a) the words from “falling within” to the end become paragraph (a);
 - (b) after that paragraph insert “, or
 - (b) which would fall within section 93(1) or section 96(1) if the references in section 93 or section 96 (as the case may be) to the transfer of chargeable securities included the issue of chargeable securities.”
- 7 (1) In the italic heading before section 93 (SDRT: depositary receipts), at the end insert “: depositary receipts”.
- (2) In section 93—
- (a) in the heading, at the end insert “: 1.5% charge”;
 - (b) in subsection (1)—
 - (i) in the words before paragraph (a) omit “Subject to subsection (7) below and section 95 below,”;
 - (ii) in paragraph (b) omit “or issued”;
 - (c) after that subsection insert—

“(1A) The following provisions contain exceptions to the charge to stamp duty reserve tax under this section—

 - (a) subsection (7) of this section (exception so far as stamp duty is chargeable);
 - (b) section 95 (general exceptions);
 - (c) section 95A (replacement securities);
 - (d) [section 97AB](#) (exempt capital-raising transfers);
 - (e) [section 97AC](#) (exempt listing transfers);

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- (f) [section 97AD](#) (exception for transfers of shares held by issuing company);
 - (g) section 97B (transfers between depositary receipt system and clearance system).”;
 - (d) in subsection (4) omit paragraph (a);
 - (e) omit subsection (10).
- 8 In section 94 (depositary receipts: supplementary), in subsection (1), in the words before paragraph (a), for “section 93 above” substitute “sections 93 and [97AC](#)”.
- 9 In section 95 (depositary receipts: exceptions)—
- (a) in subsection (1), in the words after paragraph (b) omit “subject to section 97C,”;
 - (b) in subsection (2), in the words before paragraph (a) omit “, issue”;
 - (c) omit subsections (3) to (5);
 - (d) omit subsection (7).
- 10 In section 95A (depositary receipts: exception for replacement securities)—
- (a) in subsection (1) omit “, issue”;
 - (b) in subsection (3)—
 - (i) in paragraph (a), in the words before sub-paragraph (i) omit “, issue”;
 - (ii) in paragraph (b) omit “or (3)”;
 - (c) in subsection (4), in paragraph (a) omit “, issued”.
- 11 (1) Before section 96 (SDRT: clearance services) insert—
- “Other charges: clearance services”.*
- (2) In section 96—
- (a) in the heading, at the end insert “: 1.5% charge”;
 - (b) in subsection (1)—
 - (i) in the words before paragraph (a) omit “Subject to subsection (5) below and sections 97 and 97A below,”;
 - (ii) in paragraph (b) omit “or issued”;
 - (c) after that subsection insert—
 - “(1A) The following provisions contain exceptions to the charge to stamp duty reserve tax under this section—
 - (a) subsection (5) of this section (exception so far as stamp duty is chargeable);
 - (b) section 97 (general exceptions);
 - (c) section 97ZA (exception for replacement securities);
 - (d) section 97A (election for alternative system of charge);
 - (e) [section 97AB](#) (exempt capital-raising transfers);
 - (f) [section 97AC](#) (exempt listing transfers);
 - (g) [section 97AD](#) (exception for transfers of shares held by issuing company);
 - (h) section 97B (transfers between depositary receipt system and clearance system).”;

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- (d) in subsection (2) omit paragraph (a);
 - (e) omit subsection (8).
- 12 (1) Section 97 (clearance services: exceptions) is amended as follows.
- (2) In subsection (1), in the words after paragraph (b) omit “subject to section 97C,”.
 - (3) In subsection (3), in the words before paragraph (a) omit “or issue”.
 - (4) Omit subsections (4) to (6).
- 13 (1) Section 97AA (clearance services: further exception) is renumbered section 97ZA.
- (2) In that section—
- (a) in the heading, for “further exception” substitute “exception for replacement securities”;
 - (b) in subsection (1) omit “or issue”;
 - (c) in subsection (3)—
 - (i) in paragraph (a), in the words before sub-paragraph (i) omit “or issue”;
 - (ii) in paragraph (b) omit “or (4)”;
 - (d) in subsection (4), in paragraph (a) omit “or issued”.
- 14 (1) Section 97A (clearance services: election for alternative system of charge) is amended as follows.
- (2) In subsection (3), in paragraph (a) omit “or issue”.
 - (3) In subsection (4), in both places omit “, issue”.
- 15 After section 97A insert—

“Depository receipts and clearance services: further exceptions

97AB Exempt capital-raising transfers

- (1) There is to be no charge to tax under section 93 or 96 in respect of an exempt capital-raising transfer.
- (2) For the purposes of [subsection \(1\)](#), a transfer of chargeable securities is an “exempt capital-raising transfer” if the transfer is in the course of capital-raising arrangements.
- (3) In this section, “capital-raising arrangements” means arrangements pursuant to which chargeable securities are issued by a company for the purpose of raising new capital.
- (4) A transfer of chargeable securities is not prevented from being an exempt capital-raising transfer by reason only of a delay in transferring the chargeable securities where—
 - (a) a person (“the transferor”) acquires the chargeable securities—
 - (i) before capital-raising arrangements are entered into, or
 - (ii) in the course of capital-raising arrangements,

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- (b) the transferor is subject to a restriction that has the effect of preventing the transfer of the chargeable securities in the course of the capital-raising arrangements, and
- (c) the transfer is made as soon as reasonably practicable after the time at which the restriction ceases to have effect.

97AC Exempt listing transfers

- (1) There is to be no charge to tax under section 93 or 96 in respect of an exempt listing transfer.
- (2) For the purposes of [subsection \(1\)](#), a transfer of chargeable securities issued by a company is an “exempt listing transfer” if—
 - (a) it is a transfer in the course of qualifying listing arrangements, and
 - (b) those arrangements do not affect the beneficial ownership of the chargeable securities.
- (3) In this section, “listing arrangements” means arrangements pursuant to which chargeable securities, or depositary receipts for chargeable securities, are listed on a recognised stock exchange.
- (4) For the purposes of this section, listing arrangements are “qualifying” if, immediately before the first transfer of chargeable securities in the course of the listing arrangements, no chargeable securities in the company or depositary receipts for chargeable securities in the company are listed on the recognised stock exchange to which the listing arrangements relate.
- (5) A transfer of chargeable securities is not prevented from being an exempt listing transfer by reason only of a delay in transferring the chargeable securities where—
 - (a) a person (“the transferor”) acquires the chargeable securities before qualifying listing arrangements are entered into,
 - (b) the transferor is subject to a restriction that has the effect of preventing the transfer of the chargeable securities in the course of the qualifying listing arrangements, and
 - (c) the transfer is made as soon as reasonably practicable after the time at which the restriction ceases to have effect.
- (6) Section 1005 of the Income Tax Act 2007 (meaning of “recognised stock exchange”, “listed” etc) applies in relation to this section as it applies in relation to the Income Tax Acts.

97AD Exception for transfers of shares held by issuing company

There is to be no charge to tax under section 93 or 96 in respect of a transfer of shares in a company which are held by the company (whether in accordance with section 724 of the Companies Act 2006 (treasury shares) or otherwise).”

- 16 In section 97B (transfer between depositary receipt system and clearance system) omit subsection (1A).
- 17 Omit section 97C (transfers to non-EU depositary receipt and clearance services systems).

PART 2

BEARER INSTRUMENTS

- 18 In section 79 of FA 1986 (stamp duty: loan capital: new provisions), in subsection (2)—
- (a) omit “on the issue of an instrument which relates to loan capital or”;
 - (b) for “such an instrument” substitute “an instrument which relates to loan capital”.
- 19 (1) Schedule 15 to FA 1999 (stamp duty: bearer instruments) is amended as follows.
- (2) Omit paragraph 1 (charge on issue of instrument) and the italic heading before it.
 - (3) In paragraph 2 (charge on transfers of stock by means of instrument), in the words before paragraph (a) omit “duty was not chargeable under paragraph 1 on the issue of the instrument and”.
 - (4) In paragraph 4 (1.5% rate of duty) omit “or 6”.
 - (5) Omit paragraph 7 (ascertainment of market value for charge on issue of instrument).
 - (6) In paragraph 17 (exemption for issue of instruments relating to non-sterling stock), in sub-paragraph (1)—
 - (a) in the words before paragraph (a) omit “the issue of”;
 - (b) omit the words after paragraph (b).
 - (7) Omit the italic heading before paragraph 21.
 - (8) Omit paragraph 21 (procedure for stamping instruments where duty chargeable on issue).
 - (9) Omit paragraph 22 (consequences of default in complying with procedure for stamping).

PART 3

MINOR AND CONSEQUENTIAL AMENDMENTS

- 20 In section 131 of FA 1976 (Inter-American Development Bank), in subsection (3) omit “on the issue of any instrument by the Bank or”.
- 21 (1) In section 126 of FA 1984 (tax exemptions in relation to designated international organisations), subsection (3) is amended as follows.
- (2) In paragraph (c) omit “on the issue of any instrument by the organisation or”.
 - (3) Omit paragraph (d).
- 22 In section 99 of FA 1986 (interpretation), in subsection (10), in the words before paragraph (a), for “97AA” substitute “97ZA”.
- 23 (1) Section 50 of FA 1987 (warrants to purchase Government stock etc) is amended as follows.
- (2) In subsection (2)—
 - (a) omit paragraph (a);

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- (b) in paragraph (b), for “such an instrument” substitute “an instrument which relates to an interest, right or option within subsection (1)”.
- (3) In subsection (3)—
 - (a) omit paragraph (b);
 - (b) in paragraph (c), for “under that Schedule” substitute “under Schedule 15 to the Finance Act 1999 (stamp duty: bearer instruments)”.
- 24 (1) Section 143 of FA 1988 (stamp duty: paired shares) is amended as follows.
 - (2) Omit subsections (2) and (3).
 - (3) In subsection (5), in paragraph (a), for “such as is mentioned in subsection (3)(a) above” substitute “for sale of such units to the public made at the same time and at a broadly equivalent price in a country other than the United Kingdom or the foreign country”.

PART 4

COMMENCEMENT AND TRANSITIONAL PROVISION

Commencement

- 25 The amendments made by this Schedule have effect—
 - (a) as they apply for the purposes of stamp duty, in relation to instruments executed on or after 1 January 2024;
 - (b) as they apply for the purposes of stamp duty reserve tax, in relation to—
 - (i) agreements to transfer chargeable securities made on or after that day;
 - (ii) the transfer or issue of chargeable securities on or after that day.

Transitional provision: depositary receipts: exception from SDRT for replacement securities

- 26 (1) This paragraph applies for the purposes of section 95A of FA 1986 (depositary receipts: exception for replacement securities) where the securities mentioned in subsection (3)(a) of that section were issued before 1 January 2024.
- (2) The amendments made by [paragraphs 7](#) and [10](#) are to be disregarded.

Transitional provision: clearance services: exception from SDRT for replacement securities

- 27 (1) This paragraph applies for the purposes of section 97ZA of FA 1986 (clearance services: exception for replacement securities) where the securities mentioned in subsection (3)(a) of that section were issued before 1 January 2024.
- (2) The amendments made by [paragraphs 11](#) and [13](#) are to be disregarded.

Transitional provision: bearer instruments

- 28 (1) Sub-paragraph (2) applies in relation to bearer instruments issued before 1 January 2024—
 - (a) in the United Kingdom, or

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- (b) outside the United Kingdom by or on behalf of a UK company.
- (2) The amendment made by [paragraph 19\(3\)](#) is to be disregarded.
- (3) In [sub-paragraph \(1\)](#) “bearer instrument” and “UK company” have the same meaning as in Schedule 15 to FA 1999 (see paragraphs 3 and 11 of that Schedule).
- (4) Sub-paragraph (5) applies in relation to UK bearer instruments within the meaning of section 99(1A) of FA 1986 issued before 1 January 2024.
- (5) The amendments made by paragraph 6(2) and (3) are to be disregarded.

Transitional provision: warrants to purchase Government stock etc

- 29 (1) This paragraph applies in relation to securities constituted by or transferable by means of an instrument issued before 1 January 2024.
- (2) The amendments made by [paragraph 23](#) are to be disregarded.