

STATUTORY INSTRUMENTS

2014 No. 911

**STAMP DUTY
STAMP DUTY RESERVE TAX**

**The Stamp Duty and Stamp Duty Reserve Tax
(Exchange Traded Funds) (Exemption) Regulations 2014**

<i>Made</i>	- - - -	<i>3rd April 2014</i>
<i>Laid before the House of Commons</i>	- - - -	<i>7th April 2014</i>
<i>Coming into force</i>	- -	<i>28th April 2014</i>

The Treasury, in exercise of the powers conferred by section 217(1) to (3) and (7) of the Finance Act 2012 ^{M1}, make the following Regulations:

Marginal Citations

M1 2012 c. 14.

Citation and commencement

1. These Regulations may be cited as the Stamp Duty and Stamp Duty Reserve Tax (Exchange Traded Funds) (Exemption) Regulations 2014 and come into force on 28th April 2014.

Interpretation

2. In these Regulations—

“the Act” means the Financial Services and Markets Act 2000 ^{M2};

“collective investment scheme” has the meaning given in section 235 of the Act;

^{F1}
...

^{F2}“multilateral trading facility” means—

- (a) a UK multilateral trading facility, within the meaning of [Regulation \(EU\) No. 600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
- (b) an EU multilateral trading facility, within the meaning of that Regulation; or

- (c) [^{F3}Gibraltar multilateral trading facility within the meaning given by Article 26(11)(b) (ii) of that Regulation;]

^{F4} ...]

“open-ended investment company” has the meaning given in section 236 of the Act ^{M3};

[^{F2}“regulated market” means—

- (a) a UK regulated market, within the meaning of [Regulation \(EU\) No. 600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
- (b) an EU regulated market, within the meaning of that Regulation; or
- (c) [^{F5}a Gibraltar regulated market within the meaning given by Article 26(11)(b)(i) of that Regulation;]

[^{F2}“UCITS” means—

- (a) a UCITS within the meaning given by section 236A of the Financial Services and Markets Act 2000; or
- (b) an undertaking established in Gibraltar which is a UCITS under the law of Gibraltar which implemented [Directive 2009/65/EC](#) 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.]

“units” has the meaning given in section 237(2) of the Act.

Textual Amendments

- F1** Words in [reg. 2](#) omitted (31.12.2020) by virtue of [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, **3(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in [reg. 2](#) inserted (31.12.2020) by [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, **3(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in [reg. 2](#) substituted (31.12.2020) by [The Taxes \(Amendments\) \(EU Exit\) \(No. 2\) Regulations 2019 \(S.I. 2019/818\)](#), regs. 1(4), **14(2)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)
- F4** Words in [reg. 2](#) omitted (31.12.2020) by virtue of [The Taxes \(Amendments\) \(EU Exit\) \(No. 2\) Regulations 2019 \(S.I. 2019/818\)](#), regs. 1(4), **14(2)(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in [reg. 2](#) substituted (31.12.2020) by [The Taxes \(Amendments\) \(EU Exit\) \(No. 2\) Regulations 2019 \(S.I. 2019/818\)](#), regs. 1(4), **14(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Marginal Citations

- M2** 2000 c. 8.
- M3** Section 236 was amended by [S.I. 2009/1941](#).

Exemption from stamp duty reserve tax

3. Stamp duty reserve tax shall not be chargeable on a transfer or an agreement to transfer units in an exchange traded fund.

Exemption from stamp duty

4.—(1) Stamp duty shall not be chargeable on an instrument which transfers units in an exchange traded fund.

(2) Where units in an exchange traded fund form the whole or part of the consideration, paragraph (1) does not affect any charge to stamp duty on the transfer on sale of other property.

Meaning of exchange traded fund

5. In these Regulations an “exchange traded fund” means a collective investment scheme which—

- (a) is an open-ended investment company, units in which are admitted to trading on—
 - (i) a regulated market, or
 - (ii) a multilateral trading facility, and

[^{F6}(b) is a UCITS.]

Textual Amendments

F6 Reg. 5(b) substituted (31.12.2020) by The Stamp Duty and Stamp Duty Reserve Tax (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/515), regs. 1, 3(3); 2020 c. 1, Sch. 5 para. 1(1)

David Evennett
Mark Lancaster
Two of the Lords Commissioners of Her
Majesty's Treasury

Changes to legislation: There are currently no known outstanding effects for the The Stamp Duty and Stamp Duty Reserve Tax (Exchange Traded Funds) (Exemption) Regulations 2014. (See end of Document for details)

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for exemptions from stamp duty and stamp duty reserve tax for transfers of interests in exchange traded funds (ETF). An ETF is defined in regulation 5 using terms that are themselves defined in regulation 2.

Regulation 3 provides an exemption from stamp duty reserve tax. Regulation 4(1) provides exemption from stamp duty. Regulation 4(2) ensures that interests in an ETF should still be regarded as consideration for stamp duty purposes if they are given for the acquisition of other property subject to stamp duty.

A Tax Information and Impact Note covering this instrument was published on 13th February 2014 and is available on the HMRC website at <http://hmrc.gov.uk/thelibrary/tiins.htm> alongside draft legislation. It remains an accurate summary of the impacts that apply to this instrument.

Changes to legislation:

There are currently no known outstanding effects for the The Stamp Duty and Stamp Duty Reserve Tax (Exchange Traded Funds) (Exemption) Regulations 2014.