

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for unit trust schemes of a specified description, and open-ended investment companies of a specified description, to be treated as not being unit trust schemes, or, as the case may be, open-ended investment companies, for the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax.

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

Regulation 3 specifies the description of scheme to be treated as not being a unit trust scheme and regulation 4 specifies the description of company to be treated as not being an open-ended investment company.

Regulation 5 amends the Stamp Duty Reserve Tax Regulations 1986 (S.I. 1986/1711). The purpose of the amendments is to reflect related amendments made to Schedule 19 of the Finance Act 1999 (c. 16) by a House of Commons resolution having statutory effect under section 1 of the Provisional Collection of Taxes Act 1968 (c. 2).

Regulation 6 amends the Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997 (S.I. 1997/1156) so that those regulations further modify section 99 of the Finance Act 1986 (c. 41). The purpose of this further modification is to ensure that Part IV of the Finance Act 1986 (stamp duty reserve tax) has effect in relation to shares in a company to be treated as not being an open-ended investment in a manner corresponding to the manner in which it has effect in relation to units under a scheme to be treated as not being a unit trust scheme.

Changes to legislation:

There are currently no known outstanding effects for the The Stamp Duty and Stamp Duty Reserve Tax (Definition of Unit Trust Scheme and Open-ended Investment Company) Regulations 2001.