

Changes to legislation: Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 19

Section 122(4).

STAMP DUTY AND STAMP DUTY RESERVE TAX: UNIT TRUSTS

PART I

ABOLITION OF STAMP DUTY ON TRANSFERS ETC. OF UNITS IN UNIT TRUSTS

- 1 (1) No stamp duty is chargeable on a transfer or other instrument relating to a unit under a unit trust scheme.
- (2) Sub-paragraph (1) does not affect any charge to stamp duty—
- (a) on a conveyance or transfer on sale of property other than units under a unit trust scheme in relation to which such units form the whole or part of the consideration, or
 - (b) under Schedule 15 to this Act (bearer instruments).
- (3) This paragraph has effect in relation to instruments executed on or after 6th February 2000.

^{F1} PART II

STAMP DUTY RESERVE TAX ON DEALINGS WITH UNITS IN UNIT TRUSTS

Textual Amendments

F1 Sch. 19 Pt. 2 omitted (with effect in accordance with s. 114(4) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 114\(1\)](#)

Charge to tax

2

Rate of tax

3

Proportionate reduction of tax by reference to units issued

4

Proportionate reduction of tax by reference to assets held

5

Changes to legislation: Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Exclusion of charge in certain cases of change of ownership

6

Exclusion of charge in case of individual pension accounts

6A

Exclusion of charge in case of in specie redemption

7

Interpretation

8

Transitional provision

9

PART III

MINOR AND CONSEQUENTIAL AMENDMENTS

Finance Act 1986 (c.41)

10 In section 88(1) of the Finance Act 1986 (instruments exempt from stamp duty disregarded for the purpose of repayment etc. of stamp duty reserve tax), after paragraph (b) insert—

“, or

(c) Part I of Schedule 19 to the Finance Act 1999 (transfers etc. of units in unit trusts),”.

11 (1) Section 90 of the Finance Act 1986 (exceptions from general charge to stamp duty reserve tax) is amended as follows.

(2) In subsection (1) (transfer of unit to managers of unit trust scheme) for “to the managers” substitute “to or from the managers”.

(3) After that subsection insert—

“(1A) Section 87 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme if an instrument executed at the same time as the agreement and giving effect to the agreement would be exempt from stamp duty (if stamp duty were otherwise chargeable) by virtue of—

(a) section 42 of the Finance Act 1930 or section 11 of the Finance Act (Northern Ireland) 1954 (transfers between associated companies),
or

(b) regulations under section 87(2) of the Finance Act 1985 (power to exempt instruments from stamp duty of fixed amount).”.

(4) After the subsection inserted by sub-paragraph (3) insert—

Changes to legislation: Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

“(1B) Section 87 above shall not apply as regards an agreement to transfer trust property to the unit holder on the surrender to the managers of a unit under a unit trust scheme.

The reference here to the surrender of a unit has the same meaning as in Part II of Schedule 19 to the Finance Act 1999.”.

- (5) The amendments in sub-paragraphs (2) and (3) apply where the relevant day for the purposes of section 87 of the Finance Act 1986 falls on or after 6th February 2000.
- (6) The amendment in sub-paragraph (4) applies where the surrender (within the meaning of Part II of Schedule 19 to the Finance Act 1999) occurs on or after 6th February 2000.
- 12 (1) Section 99 of the Finance Act 1986 (general interpretation provisions) is amended as follows.
- (2) In subsection (5) (securities excepted from being chargeable securities), in paragraph (a), after “securities” insert “ falling within paragraph (a), (b) or (c) of subsection (3) above ”.
- (3) After that subsection insert—
- “(5A) “Chargeable securities” does not include a unit under a unit trust scheme if—
- (a) all the trustees under the scheme are resident outside the United Kingdom and the unit is not registered in a register kept in the United Kingdom by or on behalf of the trustees under the scheme; or
 - (b) under the terms of the scheme the trust property can only be invested in exempt investments.
- (5B) For the purposes of subsection (5A)(b)—
- (a) an investment other than an interest under a collective investment scheme is an exempt investment if, and only if—
 - (i) it is not an investment on the transfer of which *ad valorem* stamp duty would be chargeable, and
 - (ii) it is not a chargeable security;
 - (b) an interest under a collective investment scheme is an exempt investment if, and only if, the scheme is an authorised unit trust scheme or an open-ended investment company and under the terms of the scheme the property subject to the scheme—
 - (i) cannot be invested in such a way that income can arise to the trustees or the company that will be chargeable to tax in their hands otherwise than under Case III of Schedule D, and
 - (ii) can only be invested in exempt investments;
 - (c) a derivative is an exempt investment if, and only if, it relates wholly to one or more exempt investments; and
 - (d) funds held for the purposes of the day to day management of the unit trust scheme are not regarded as investments.

In this subsection “authorised unit trust scheme”, “collective investment scheme” and “open-ended investment company” have the same meaning as in the Financial Services Act 1986.”.

Changes to legislation: *Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(4) For subsection (9) (meaning of “unit” and “unit trust scheme”) substitute—

“(9) “Unit trust scheme” and related expressions have the meanings given by Part IV of Schedule 19 to the Finance Act 1999.”.

Finance Act 1995 (c.4)

13 (1) Section 152 of the Finance Act 1995 (power to apply tax legislation to open-ended investment companies) is amended as follows.

(2) In subsection (2)(b) for “Part IV of the Finance Act 1986 (stamp duty reserve tax)” substitute “ stamp duty reserve tax ”.

(3) In subsection (3)(c)—

(a) for “Part IV of the Finance Act 1986” substitute “ the enactments relating to stamp duty or stamp duty reserve tax ”, and

(b) for “the enactments relating to stamp duty” substitute “ those enactments ”.

(4) In subsection (6) at the appropriate place insert—

““the enactments relating to stamp duty reserve tax” means Part IV of the Finance Act 1986 and any enactment which amends or is required to be construed as one with that Part;”.

PART IV

GENERAL DEFINITIONS

Meaning of “unit trust scheme” and related expressions

14 (1) The following definitions apply for the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax.

(2) “Unit trust scheme” has [^{F2}the meaning given by section 237(1) of the Financial Services and Markets Act 2000], subject to paragraphs 15 to 18.

(3) In relation to a unit trust scheme—

“trust instrument” means the trust deed or other instrument (whether under seal or not) creating or recording the trusts on which the property in question is held;

“trust property” means the property subject to the trusts of the trust instrument;

“unit” means a right or interest (whether described as a unit, as a sub-unit or otherwise) of a beneficiary under the trust instrument;

“unit holder” means a person entitled to a share of the trust property; and

“certificate to bearer”, in relation to a unit, means a document by the delivery of which the unit can be transferred.

Textual Amendments

F2 Words in [Sch. 19 Pt. IV para. 14\(2\)](#) substituted (1.12.2001 with effect as mentioned in art. 104(2) of the amending S.I.) by [S.I. 2001/3629](#), [art. 104\(1\)](#)

Changes to legislation: Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Modifications etc. (not altering text)

- C1** Sch. 19 para. 14 modified (6.2.2000) by S.I. 1997/1156, reg. 4A(3) (as inserted (6.2.2000) by S.I. 1999/3261, reg. 5)

Schemes not treated as unit trust schemes

- 15 References in the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax to a unit trust scheme do not include—
- (a) a common investment scheme under section 22 of the ^{M1}Charities Act 1960, section 25 of the ^{M2}Charities Act (Northern Ireland) 1964 [^{F3}, section 24 of the Charities Act 1993 or section 96 of the Charities Act 2011,]
 - (b) a common deposit scheme under section 22A of the Charities Act 1960 [^{F4}, section 25 of the Charities Act 1993 or section 100 of the Charities Act 2011], or
 - (c) a unit trust scheme the units in which are under the terms of the trust instrument required to be held only by [^{F5}charitable companies or trustees of charitable trusts].

Textual Amendments

- F3** Words in Sch. 19 para. 15(a) substituted (14.3.2012) by Charities Act 2011 (c. 25), s. 355, Sch. 7 para. 81(a) (with s. 20(2), Sch. 8)
- F4** Words in Sch. 19 para. 15(b) substituted (14.3.2012) by Charities Act 2011 (c. 25), s. 355, Sch. 7 para. 81(b) (with s. 20(2), Sch. 8)
- F5** Words in Sch. 19 para. 15(c) substituted (1.4.2012) by Finance Act 2010 (c. 13), Sch. 6 paras. 15(3), 34(2); S.I. 2012/736, art. 11

Marginal Citations

- M1** 1960 c.58.
M2 1964 c.33(N.I.).

- 16 References in the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax to a unit trust scheme do not include common investment arrangements made by trustees of exempt approved schemes (within the meaning of section 592(1) of the Taxes Act 1988) solely for the purposes of the schemes.
- 17 (1) The Treasury may by regulations provide that any scheme of a description specified in the regulations shall be treated as not being a unit trust scheme for the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax.
- (2) Regulations under this paragraph—
- (a) may contain such supplementary and transitional provisions as appear to the Treasury to be necessary or expedient, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (3) This paragraph replaces section 57(1A) and (1B) of the ^{M3}Finance Act 1946 and section 28(1A) and (1B) of the ^{M4}Finance (No.2) Act (Northern Ireland) 1946.

Changes to legislation: Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) Any regulations having effect under those provisions for the purposes of Part VII of the Finance Act 1946 or Part III of the Finance (No.2) Act (Northern Ireland) 1946 which are in force immediately before the commencement of this Schedule shall have effect as if made under this paragraph.

Modifications etc. (not altering text)

C2 Sch. 19 para. 17 modified (6.2.2000) by S.I. 1997/1156, reg. 4A(4) (as inserted (6.2.2000) by S.I. 1999/3261, reg. 5)

Marginal Citations

M3 1946 c.64.

M4 1946 c.17(N.I.).

Treatment of umbrella schemes

- 18 (1) For the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax each of the parts of an umbrella scheme is regarded as a unit trust scheme and the scheme as a whole is not so regarded.
- (2) An “umbrella scheme” means a unit trust scheme—
- (a) which provides arrangements for separate pooling of the contributions of participants and of the profits or income out of which payments are to be made to them, and
 - (b) under which the participants are entitled to exchange rights in one pool for rights in another;
- and a “part of an umbrella scheme” means such of the arrangements as relate to a separate pool.
- (3) In relation to a part of an umbrella scheme—
- (a) any reference to the trust property has effect as a reference to such of the trust property as under the arrangements forms part of the separate pool to which the part of the umbrella scheme relates, and
 - (b) any reference to a unit holder has effect as a reference to a person for the time being having rights in that separate pool.

References to stock in stamp duty enactments include units under unit trust scheme

- 19 In the enactments relating to stamp duty—
- (a) any reference to stock includes a unit under a unit trust scheme, and
 - (b) any reference to a stock certificate to bearer includes a certificate to bearer in relation to a unit under a unit trust scheme.

Changes to legislation:

Finance Act 1999, SCHEDULE 19 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Sch. 19 para. 2 applied by [2014 c. 26 s. 114\(6\)](#)
- Sch. 19 Pt. 2 defn(s). applied (6.2.2000) by [1999 c. 16 s. 122\(4\)](#)[Sch. 19 Pt. 3 para. 11\(4\)\(6\)](#) (adding [1986 c. 41 s. 90\(1B\)](#))
- Sch. 19 Pt. 4 para. 14151617 repealed in part (prosp.) by [1999 c. 16 s. 123\(3\)s. 123\(4\)139](#)[Sch. 20 Pt. 5\(6\)](#) Note

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 17 para. 6 - 8 Sch. 19 Pt. 1-III repealed (prosp.) by [1999 c. 16 s. 123\(3\)s. 123\(4\)139](#)[Sch. 20 Pt. 5\(6\)](#) Note