

Changes to Stock Transfer Forms

HM Revenue & Customs has announced changes to stock transfer forms. Those changes are already effective, although the previous forms which have been in circulation since 2008 can be used until 05 September 2012.

The change involves adding a new certificate to deal with specific situations in which no stamp duty is payable, and also adding guidance notes to clarify the position where no consideration is being provided by the buyer.

Given the narrow wording of the previous certificate to claim an exemption from stamp duty on the "old" stock transfer form, numbers of practitioners were incorrectly completing the certificate, or submitting forms to HM Revenue & Customs for payment of stamp duty when this was unnecessary.

In particular, confusion had arisen when transfers were being made for nil consideration, or where the transfer was exempt from stamp duty in a situation not covered by the previous narrow wording.

It has been clarified that:

- If the transfer is for nil consideration, "nil" should be written in the consideration box. There is no need to complete a certificate or send the form to HM Revenue & Customs for stamping.
- If the transfer falls within one of the specific categories set out in the certificates on the reverse of the form, the relevant certificate should be completed but the form does not need to be submitted to HM Revenue & Customs. (The new certificate deals with certain fairly limited situations - namely where an exemption applies but this exemption does not need to be separately claimed from HM Revenue & Customs, or where the consideration for the transfer is not chargeable consideration for stamp duty purposes.)
- If an "old" stock transfer form is being used but the transfer would fall within the scope of the new certificate, then the wording for the new certificate can be added in manuscript to the form and signed.

Further detail is available on the HM Revenue & Customs website:

http://www.hmrc.gov.uk/news/stamp_stf_update.htm

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