UK no longer recognises the Moscow Stock Exchange

General Features

20 May 2022

As of 5 May 2022, the Moscow stock exchange is no longer designated as a recognised stock exchange by the UK, as the Recognised Stock Exchange (MICEX Stock Exchange)(Russia) Designation Revocation Order 2022 comes into force. The move was prompted by the invasion of Ukraine and meant as a further way of conveying the UK government's disapproval of Russia's actions and hindering the flow of investment into the country.

HMRC had issued the draft Order on 19 April 2022, along with a two-week consultation. Five responses to this consultation were received, with only a stamp duty reserve tax amendment being made to the final Order.

The effect of this change is that shares acquired on or after 5 May 2022 on Moscow's stock exchange will not be regarded as 'quoted' for UK tax purposes. This will have a knock-on effect with tax treatments and reliefs for future investments by UK taxpayers, although any stocks and shareholdings acquired before 5 May 2022 on the Moscow exchange will remain quoted and unaffected.

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