

Securities transfer tax: draft Finance Bill legislation - CIOT comments

Large Corporate

OMB

Personal tax

November 2026



23 October 2026

CIOT has commented on the draft legislation that will be included in the next Finance Bill to implement the new securities transfer tax. This new tax is the culmination of a lengthy consultation on the Modernisation of Stamp Taxes on Shares Framework.

CIOT has submitted comments to HMRC on the draft Finance Bill legislation (<https://tinyurl.com/5xmakpv6>) that will implement the new securities transfer tax (STT). We welcome the introduction of STT as a replacement for stamp duty and stamp duty reserve tax, bringing stamp taxes into the modern age.

Our comments noted our concern that the draft legislation was published for a relatively short consultation period over the summer, providing limited time to fully digest and consider this lengthy and complex legislation. We understand that the tight timetable for comments on the draft legislation was intended to enable HMRC

to meet the overall timetable for including legislation in the next Finance Bill. We hope that there will be sufficient time for the comments received to be considered and changes made to ensure that the legislation works as intended.

Our principal concern with the legislation is around liability and accountability. The intention at the time of publishing the legislation was that when submitting the STT return, an agent will have to confirm that it is authorised as required by the legislation, and thus will become an accountable person, jointly and severally liable for the STT.

In our view, it is unacceptable for agents to become accountable persons effectively by default, merely by filing the STT return for a client, and thereby becoming jointly and severally liable for the STT. Our comments highlighted that the proposed approach is causing significant concern for our members and that the likely result is that agents will not be able to file returns for their clients, because it will not be acceptable to them to take on the risk of being liable for the STT, not least because it is unlikely that they will be able to obtain insurance against this risk.

We understand that HMRC have heard these concerns and are considering how to address them within the confines of their systems and compliance requirements for interacting with agents. We look forward to hearing how they will be addressed.

Our comments also highlighted some potential gaps in the scope of the tax as the legislation is drafted in relation to share buybacks and court-sanctioned schemes of arrangement. We understand that it is not the government's intention that these transactions should be excluded, and we suggested that the legislation should be amended to bring these transactions clearly within scope.

We also suggested that the legislation for the exemptions from STT that are intended to mirror the existing stamp duty reliefs for groups, demergers and insertions of holding companies could be clarified to make clear what they apply to.

We suggested that there should be a de minimis threshold in the legislation for STT to avoid bringing many small, non-electronic transactions within the scope of STT that would require filings and payments of 1p, which seems unduly burdensome and not cost-effective for taxpayers or HMRC.

Finally, although the government aims to implement STT in 2027, no timetable has yet been set out. Further details of the online portal through which returns and

payments will be made are still awaited, as well as details about how overseas customers will be able to file returns. We cautioned that the introduction of STT should not be rushed, and we hope that the good engagement with HMRC will continue. This should include further consultation around implementation issues prior to any commencement date.

You can read the CIOT's full comments at: <https://tinyurl.com/2u66fv6c>

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