OTS: Stamp duty on shares – simplification review

Indirect Tax

01 May 2017

As part of its simplification review of residual paper stamp duty on shares, the OTS requests evidence from practitioners as to the time and costs involved in dealing with the adjudication process and current system generally.

The OTS has published its progress report and call for evidence in relation to its simplification review of the residual paper stamp duty (SD) on shares.

This call for evidence considers (in Part 1) a possible approach to digitalising SD and (in Part 2) considers some technical questions arising from two possible options:

- Parallel taxes: abolishing paper SD and creating a digital, self-assessed, SD ('digital SD') which would sit alongside SDRT; or
- Merged tax: abolishing SD and modifying SDRT so that it covers paper transactions as well ('umbrella SDRT').

Input required

The OTS would welcome your thoughts on these two options and the questions posed in the progress report. In addition, the CIOT met with the OTS recently to discuss these options and several questions emerged in respect of which the OTS would greatly appreciate evidence from all of you, as practitioners. These questions are:

- How many times in, say, a year do you use the same-day stamping service? What is the cost of arranging a meeting with Birmingham Stamp Office? How many [more] times would you wish to use a same day stamping service if it was more readily available?

- What is the average value/cost – in terms, perhaps, of your time in hours – in preparing a paper adjudication submission for SD reliefs – that is, for example, for group relief, section 77 share for share exchange or section 75 re-organisation reliefs? How much of this time/costs would be saved if there were a self-assessed and/or digital process for these reliefs?
- How time consuming is dealing with the interaction between SD and SDRT? How often do you have to consider this?
- What is the average cost to clients of dealing with 'wait and see' SD applications?
- How does the cost of dealing with SD compare to dealing with SDLT filings: that is to say, is there any evidence that online SDLT filing gives rise to a cost saving for clients and whether as such it is a useful comparator?

If you have any comments that you would like to make, please send them to ots@ots.gsi.gov.uk, by 31 May 2017.