



**Relief from stamp duty and stamp duty reserve tax: securities traded on
recognised growth markets**

Q&A Guidance
10 December 2013

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Introduction

The Government is planning to relieve from stamp taxes, purchases in shares quoted on growth markets.

This document provides initial guidance on the draft legislation published today.

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Chapter 1

Overview

At Budget 2013 (link here: <https://www.gov.uk/government/publications/budget-2013-documents>), the Government announced that it would relieve from stamp taxes, purchases in shares quoted on growth markets such as AIM. The proposed relief has now been set out in the draft Finance Bill 2014 (link here: [HM Revenue & Customs: Finance Bill 2014 - Draft Legislation 10 December 2013](#)).

HMRC invites technical comments on the draft clauses from interested parties by 4 February 2014.

Further updates will be placed on the Stamp Taxes pages of the HMRC website (link here: <http://www.hmrc.gov.uk/so/news.htm>).

Chapter 2

Q&A

When will the relief come into effect?

The relief is scheduled to come into effect on 28 April 2014.

Which securities will be covered by the relief?

The relief will apply to purchases of securities quoted on a Recognised Growth Market. To qualify as a Recognised Growth Market, a market must be a Recognised Stock Exchange (RSE) (link here: [HM Revenue & Customs: Recognised Stock Exchanges*](#)) and meet one of two conditions:

- either a majority of companies traded on that market must be smaller than £170m market capitalisation; or,
- the market's rules must require that issuers seeking admission demonstrate at least 20% compounded annual growth in revenue or employment over the three years preceding admission.

The relief will not be available to securities which are listed on any market in accordance with the definition of 'listed' in Section 1005(3) to (5) ITA 2007.

See the draft clauses for more detail about the qualifying conditions.

*Tables 1 and 2 at this link show which exchanges are RSEs. All markets of these exchanges are RSEs in their own right unless stated otherwise.

I operate an eligible growth market: how do I apply for recognition?

HMRC will consider applications for recognition from late February 2014, once the technical consultation on the draft clauses has closed and feedback has been considered. During the recognition period, which is expected to last for three weeks, markets will be invited to apply in writing to the address below, enclosing documentary evidence that one of the two conditions set out in the legislation have been met:

Chris Taylor
HM Revenue and Customs
Stamp Taxes Office
City Centre House
30 Union Street
Birmingham
B2 4AR

Applications received after this initial period will be considered for recognition in July 2014, when the Finance Bill receives Royal Assent.

Markets considering applying in February to become a Recognised Growth Market are invited to contact Chris Taylor (email: Christopher.Taylor3@hmrc.gsi.gov.uk) as soon as possible to register their interest and to ensure they are kept informed of developments concerning this measure.

Can overseas growth markets apply for recognition?

Yes, if they meet the relevant conditions.

I am an intermediary: how will I know if a security is in scope of the relief?

HMRC will maintain a list of Recognised Growth Markets on its website. It will be for venues and market intermediaries to establish arrangements for identifying relieved securities.

How can I give technical feedback on the draft clauses?

Feedback on the draft clauses, and any other enquiries about this measure, should be addressed in the first instance to Anne Berriman (email: anne.berriman@hmrc.gsi.gov.uk). The deadline for feedback is 4 February 2014.