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subject. If you are in any doubt we will explain whether your document involves a chargeable consideration other than cash once we have seen it.

What is the rate of stamp duty?

Stamp duty is currently levied at a number of different rates depending on the total amount or value of the chargeable consideration and whether or not your document contains a Certificate of Value.

What is a Certificate of Value?

A Certificate of Value is a statement included as part of a document to the effect that the consideration for the transaction effected by that document does not exceed a particular amount. The usual wording is as follows:

"I/We hereby certify that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds £X."

There are currently three levels of Certificate of Value (£X in the wording above). These are £60,000, £250,000 and £500,000. Provided your document contains a proper Certificate of Value the duty will be calculated as follows:

Chargeable consideration up to and including £60,000 - Nil Duty

Chargeable consideration over £60,000 and up to and including £250,000 - Duty at 1% of the chargeable amount rounded up to the nearest multiple of £5.

Chargeable consideration over £250,000 and up to and including £500,000 - Duty at 2.5% of the chargeable amount rounded up to the nearest multiple of £5.

Chargeable consideration over £500,000 - Duty at 3.5% of the chargeable amount rounded up to the nearest multiple of £5.

My document relates to a transfer or assignment of rights in several countries and the whole consideration was £1,000,000 but the UK element only represents £50,000 of that sum. Can I insert a £60,000 Certificate of Value in the document and benefit from the Nil Rate of stamp duty? The document was executed abroad.

No. The Certificate of Value can only be given if the certified document is not part of a larger transaction for more than the stated amount so a £60,000 Certificate of Value in such a document would not be proper because the consideration for the

larger transaction was more than £500,000. You would only have to pay stamp duty on the UK element of the consideration if the document was wholly executed abroad, but because a Certificate of Value would not be appropriate duty on that £50,000 would be at the 3.5% rate giving stamp duty of £1,750

If the same document had been partly or wholly executed in the UK you would have to pay duty on the full £1M consideration, including that for the foreign property so duty at 3.5% would be £35,000.

My document was executed abroad and has been kept there so surely it is not liable to UK stamp duty anyway?

This is a common misconception. A document is liable to stamp duty if it relates to any matter or thing to be done in the UK or to any UK property, even if it was executed abroad. The liability arises immediately the document is executed. By wholly executing and keeping a document abroad all the parties to the transaction do is postpone payment of that stamp duty. Section 15B(1)(b) of the Stamp Act 1891 allows 30 days from the date the document is brought into the UK to have it stamped without payment of a penalty for late stamping. Section 15B does not mean there is no stamp duty due until it is brought into the UK.

The consideration for the transfer or assignment in my document is expressed in a foreign currency. How is the amount on which the stamp duty is charged calculated in those circumstances?

The exchange rate on the date the document was executed is used and the resulting pound sterling amount is the figure used. If the parties to the document actually stated in the document the exchange rate to be used, that is the rate which will be used instead. This is provided in Section 6 of the Stamp Act 1891.

Where do I send my document to have it stamped?

A list of all our offices is attached at the end of this note. You are encouraged to send your document and payment to your nearest office but you may choose any stamp office if you wish. Alternatively you can take the document to the public counter at any office on the list except Worthing which does not offer a counter service. Our Bush House office offers a counter service only and no postal applications should be sent there. Cheques should be made payable to Inland Revenue Only - Stamp Duties and crossed A/C Payee.

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