

Anne Berriman
HMRC
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4 February 2014

Dear Ms Berriman,

Draft Finance Bill 2014: Abolition of stamp duty and stamp duty reserve tax on growth market shares

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of EuropeanIssuers, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Tax Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

Response

We fully support the Government's action to abolish stamp duty on growth market shares as of 28 April 2014. We believe that this measure will increase liquidity and investment in small, growing companies.

We have reviewed the draft finance bill clauses in this area and have no comments on it. However, we have received feedback from our members that it is not very clear in the accompanying Q&A about what the process is for exchanges in terms of applying for the exemption and what the approval process is – especially if a market applies after the initial recognition period has finished. It may be worth clarifying this for market participants in future Q&A documents.

If you have any further queries on this, please do not hesitate to get in touch with us.

Yours sincerely,



Tim Ward
Chief Executive

Quoted Companies Alliance Tax Expert Group

Neil Pamplin (Chairman)	Grant Thornton UK LLP
Paul Fay (Deputy Chairman)	Crowe Clark Whitehill LLP
Emma Bailey	Fox Williams LLP
Michael Bell	Osborne Clarke
Nick Burt	Nabarro LLP
Jason Collins/Kate Featherstone	Pinsent Masons LLP
Christopher Connors/Ray Smith	Clyde & Co LLP
Tim Crosley	Memery Crystal LLP
Sam Dames	CMS Cameron McKenna LLP
David Gubbay	Dechert
Richard Jones	BDO LLP
Natasha Kaye	Olswang
Joseph Litten	EY
James Mottram	K & L Gates LLP
Andrew Prowse	Field Fisher Waterhouse
Adam Singer	Bird & Bird LLP
Vijay Thakrar	Deloitte LLP