

**EXPLANATORY MEMORANDUM TO
THE STAMP DUTY RESERVE TAX (VIRT-X EXCHANGE LIMITED)
(AMENDMENT) REGULATIONS 2008**

2008 No. 914

1. This Explanatory Memorandum has been prepared by Her Majesty's Treasury and is laid before the House of Commons by Command of Her Majesty.

This Memorandum contains information for the Select committee on Statutory Instruments.

2. **Description**

These Regulations amend the Stamp Duty Reserve Tax (virt-x Exchange Limited) Regulations 1995 (Statutory Instrument 1995/2051). They reflect the change of name of virt-x Exchange Limited to SWX Europe Limited that occurred on 3 March 2008.

3. **Matters of special interest to the Select Committee on Statutory Instruments**

None

4. **Legislative Background**

Sections 116 and 117 of the Finance Act 1991 enable the Treasury to make regulations in relation to recognised investment exchanges and their members, and recognised clearing houses and their nominees. Recognised investment exchanges include regulated markets and multilateral trading facilities within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments. Regulations under these sections have been made previously in respect of the London International Financial Futures and Options Exchange (SI 1997/2429.); OM London Exchange Limited (SI 1999/3262.); Jiway Ltd. (SI 2000/2995.); London Stock Exchange (SI 2001/255); EDX London Ltd (SI 2004/3218) and Eurex Clearing AG (SI 2007/1097 and 2008/164).

5. **Extent**

This instrument applies to all of the United Kingdom.

6. **European Convention on Human Rights**

As this instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

7. **Policy background**

When shares in UK companies are traded on a stock exchange, the clearing and settlement process will involve a number of transfers of those shares, each of which is potentially chargeable to Stamp Duty Reserve Tax. Regulations made in 1995 ensure that multiple charges to Stamp Duty Reserve Tax do not arise when shares are traded

on the virt-x exchange, thereby improving market liquidity. The amending Regulations that are the subject of this Memorandum simply reflect the change of legal name of the entity operating that exchange.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is none.

9. Contact

Miles Harwood at HM Revenue and Customs (Tel: 020 7147 2801 or e-mail: miles.harwood@hmrc.gsi.gov.uk), can answer any queries regarding the instrument.