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# All Stamped Out – The End of HMRC’s Physical Stamp Press

As of 19 July 2021, HMRC’s physical stamping presses, used to record Stamp Duty paid on eligible share transfers, have been decommissioned, such stamping now occurring by electronic means. [Corporate and Commercial Solicitor Gerard Chalkly-Maber](#) explains what this means going forward for Stamp Duty payable on share transfers.

HMRC announced on 18 June 2021 through a press release and notices (due to a legal requirement as set out in section 22 of the Stamp Duties Management Act 1891) in the London, Edinburgh and Belfast Gazettes, that its stamp presses would be decommissioned. The retirement of these machines, which are themselves around 100 years old, marks the end of a chapter of financial history lasting more than 300 years and is due to the adoption by HMRC of a new and successful digital method initiated during the COVID-19 pandemic.

## A long history

To assist with England’s war with France, the first form of Stamp Duty was introduced in 1694, and was paid on all paper, vellum or parchment to be used for legal documents. Payment was then indicated by a stamp being applied to the document, hence the name “Stamp Duty”.

Duties on other items, payment for which was indicated by such stamps, were then introduced and discontinued during the course of that period, even including hair powder, types of medicine and newspapers.

## How to own a decommissioned stamp press

Three of the presses are to be retained by HMRC and installed in its new regional centres but the remaining five presses will be available for rehoming and anyone interested should contact [Stamp.Presses@HMRC.gov.uk](mailto:Stamp.Presses@HMRC.gov.uk). Please note that each press weighs 685 kilograms, so a reinforced floor may be required!

## What does this mean for me as a purchaser of shares?

If you are looking to purchase shares in a company then, provided the consideration is not £1,000 or less or the transfer is otherwise exempt from Stamp Duty, you will have to pay Stamp Duty on the consideration for those

shares. This is also the case where a company is buying back its own shares from a shareholder, i.e. Stamp Duty is payable on the consideration of the buyback. At time of writing (August 2021), the rate of Stamp Duty payable is set at 0.5% and has been since 1986, with the amount payable being rounded up to the nearest £5.00.

This used to be paid by submitting the executed stock transfer form (or Form SH03 for a share buyback) together with the necessary Stamp Duty to HMRC's offices whereupon they would physically stamp them (using the presses that have now been decommissioned).

However, with the COVID-19 pandemic hitting the UK from March 2021 onwards, HMRC temporarily changed this process such that the purchaser:

1. pays the necessary Stamp Duty to HMRC following the instructions and using the bank account details found at [HMRC's website](#); and
2. e-mails a digital copy of the executed stock transfer form (or Form SH03 for a share buyback) to HMRC at [StampDutyMailbox@HMRC.gov.uk](mailto:StampDutyMailbox@HMRC.gov.uk) and noting the Stamp Duty payment has been made – although there is a physical address for submitting the relevant document if e-mail is not possible,

both requirements of which are to be done within 30 days of the date of the transfer or buyback.

This temporary form of submission used during the COVID-19 pandemic is that which has now been adopted permanently.

## HMRC's newly “stamped” documents

Upon receipt of the Stamp Duty and the executed document, provided HMRC agrees with the sums paid and execution of the document, it will issue a letter that:

1. confirms receipt of Stamp Duty;
2. sets out the transaction(s) for which HMRC is confirming receipt and the relevant verification codes; and
3. confirms that the stock transfer form (or Form SH03 for a buyback) has been duly stamped by HMRC.

As the purchaser, you should then be able to send your executed stock transfer form and letter from HMRC to the company in order to be registered as the new owner of the shares.

For buybacks, the company should be able to submit Form SH03 together with the letter from HMRC to

Companies House whereupon Companies House will register the buyback of the shares.

## Contact

If you would like to discuss any questions regarding the new stamping process or would like advice or representation in respect of share purchases, please do get in touch with [Gerard Chalkly-Maber](#) or any other member of our [Corporate & Commercial Team](#) at [Online.Enquiries@LA-Law.com](mailto:Online.Enquiries@LA-Law.com).