# UK considers scrapping stamp duty to counter AstraZeneca's US listing move



Rachel Reeves, the UK Chancellor, is facing increasing pressure to eliminate stamp duty on share trading as a measure to revitalise the London Stock Exchange and stem the tide of companies relocating their listings to foreign stock markets, particularly New York. The 0.5% stamp duty on share transactions is widely viewed within financial circles and the investment community as a barrier to investment and a factor contributing to London’s waning competitiveness in the global capital markets.

Concerns have been heightened by AstraZeneca’s recent announcement that it plans to directly list its shares on the New York Stock Exchange from February 2026. The pharmaceutical giant, one of the UK's most valuable companies, intends to move from trading through American Depositary Receipts (ADRs) to a full listing on the NYSE, thereby accessing a broader US investor base. Although AstraZeneca has reassured stakeholders it will keep its headquarters in the UK and maintain its listing in London and Stockholm, the move signals a shift toward deeper engagement with the US market. Experts warn this could set a precedent that encourages other major UK companies with substantial American shareholders to follow suit, compounding concerns about London’s decline as a financial hub.

This strategic manoeuvre by AstraZeneca follows other signs of tension. Its CEO, Pascal Soriot, has recently paused significant UK-based investments such as a £200 million research facility and cancelled a £450 million vaccine plant, citing dissatisfaction with UK drug pricing policies. Such decisions add to the perception that UK policies and financial structures are becoming less attractive to global businesses.

In response to these developments, city leaders, investment platforms, and industry voices—including firms like IG, AJ Bell, and Hargreaves Lansdown—are advocating for bold government action to abolish the stamp duty on shares completely. They argue that this tax discourages investment in UK companies, undermines retail investor engagement, and weakens market competitiveness at a time when other global markets do not impose similar levies. Gina Miller and the Confederation of British Industry (CBI) have echoed these calls, emphasising the urgency of reviving investor interest and boosting market liquidity.

The Chancellor is reportedly exploring a compromise solution involving a temporary stamp duty holiday on newly listed shares. Such a holiday, lasting two to three years, aims to encourage more companies to choose London for their flotation and attract investors by reducing transaction costs. However, some market commentators, including Charles Hall at Peel Hunt, remain sceptical about the likelihood of Labour scrapping the tax entirely given the current economic climate.

The potential easing or scrapping of stamp duty is seen by many as essential for the London Stock Exchange to regain competitiveness, particularly as firms such as Wise and Flutter Entertainment have already moved their primary listings to the US to access larger pools of capital and more favourable trading conditions. Unlike the UK, major economies like the US, China, and Germany do not impose a transaction tax on share trading, increasing their appeal to both companies and investors.

As the government weighs these options, the broader financial community is watching closely. The future of London’s status as a leading global financial centre may hinge on how decisively the Treasury responds to these pressures to reform stamp duty and attract high-value listings and investment back to the UK market.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/markets/article-15164389/Chancellor-faces-calls-axe-stamp-duty-shares.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.moneyweek.com/investments/stocks-and-shares/city-bosses-call-for-stamp-duty-on-shares-to-be-scrapped-to-save-uk-stock-market)
* Paragraph 2 – [[2]](https://www.reuters.com/en/astrazeneca-directly-list-shares-new-york-retain-uk-listing-2025-09-29/), [[3]](https://www.reuters.com/sustainability/sustainable-finance-reporting/astrazenecas-us-listing-may-pull-other-firms-london-its-wake-2025-09-30/), [[6]](https://www.sharecast.com/news/news-and-announcements/astrazeneca-to-list-in-new-york-retain-london--20961512.html)
* Paragraph 3 – [[4]](https://www.reuters.com/commentary/breakingviews/astrazenecas-game-of-exit-chess-puts-uk-in-check-2025-09-29/)
* Paragraph 4 – [[5]](https://www.moneyweek.com/investments/stocks-and-shares/city-bosses-call-for-stamp-duty-on-shares-to-be-scrapped-to-save-uk-stock-market)
* Paragraph 5 – [[7]](https://www.sharecast.com/amp/news/news-and-announcements--/chancellor-mulling-stamp-duty-holiday-for-new-london-listings--20983774.html), [[1]](https://www.dailymail.co.uk/money/markets/article-15164389/Chancellor-faces-calls-axe-stamp-duty-shares.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.moneyweek.com/investments/stocks-and-shares/city-bosses-call-for-stamp-duty-on-shares-to-be-scrapped-to-save-uk-stock-market)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/markets/article-15164389/Chancellor-faces-calls-axe-stamp-duty-shares.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.moneyweek.com/investments/stocks-and-shares/city-bosses-call-for-stamp-duty-on-shares-to-be-scrapped-to-save-uk-stock-market)

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## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-15164389/Chancellor-faces-calls-axe-stamp-duty-shares.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/en/astrazeneca-directly-list-shares-new-york-retain-uk-listing-2025-09-29/> - AstraZeneca has announced plans to directly list its shares on the New York Stock Exchange, transitioning from American Depositary Receipts to tap into the U.S. capital markets and broaden its investor base. Despite this move, the company reassured it would maintain its headquarters in the UK and remain listed in London and Stockholm, easing concerns of a complete departure from the UK market. The proposed U.S. listing is set for February 2, 2026, and will be voted on by shareholders on November 3.
3. <https://www.reuters.com/sustainability/sustainable-finance-reporting/astrazenecas-us-listing-may-pull-other-firms-london-its-wake-2025-09-30/> - AstraZeneca’s announcement to enhance its U.S. listing by offering shares directly on the New York Stock Exchange has sparked concerns about a potential liquidity shift away from London. As one of the UK's most valuable companies, the decision aligns with its significant American shareholder base. While AstraZeneca has no current plans to delist from London, experts warn other UK firms with substantial U.S. investor bases may follow suit, potentially weakening London’s financial markets.
4. <https://www.reuters.com/commentary/breakingviews/astrazenecas-game-of-exit-chess-puts-uk-in-check-2025-09-29/> - AstraZeneca has announced its intention to directly list its shares on the New York Stock Exchange, shifting away from its current U.S. depositary receipts system to access a broader base of investors. While the pharmaceutical giant stresses its continued commitment to the UK—remaining headquartered in London and retaining a local exchange listing—its strategic moves suggest growing U.S. alignment. CEO Pascal Soriot recently paused a £200 million research facility in Cambridge and had already cancelled plans for a £450 million vaccine plant, signaling dissatisfaction over drug pricing policies in the UK.
5. <https://www.moneyweek.com/investments/stocks-and-shares/city-bosses-call-for-stamp-duty-on-shares-to-be-scrapped-to-save-uk-stock-market> - City leaders and investment platforms are urging the UK government to abolish the 0.5% stamp duty on shares to boost the struggling London Stock Exchange and attract more retail investors. Firms including IG, AJ Bell, Hargreaves Lansdown, Bestinvest, and Interactive Investor argue that the tax discourages investment in British companies and undermines market competitiveness, especially as international listings dwindle and firms like Wise and Flutter Entertainment shift to the U.S. Supporters, including Gina Miller and the CBI, emphasize the need for 'bold action' to address market shrinkage and revive investor interest.
6. <https://www.sharecast.com/news/news-and-announcements/astrazeneca-to-list-in-new-york-retain-london--20961512.html> - Anglo-Swedish drugs giant AstraZeneca is to list directly on the New York Stock Exchange, it was announced on Monday. The company currently has its primary listing in the UK, where it is headquartered, with further listings in Sweden and New York. However, it can only be traded on Wall Street through American depositary receipts (ADRs). It therefore wants to replace the ADRs, which are typically less liquid than traditional shares, by listing directly in New York, putting it on par with London's listing. The move will not, however, affect AstraZeneca's status as a UK-listed, headquartered and tax resident company, the firm insisted. It will also continue to be included in the FTSE 100 following the shake-up.
7. <https://www.sharecast.com/amp/news/news-and-announcements--/chancellor-mulling-stamp-duty-holiday-for-new-london-listings--20983774.html> - The chancellor is reportedly considering a stamp duty holiday on new London listings in an effort to boost the capital's competitiveness as a public capital market. According to the Financial Times, which cited unnamed sources close to the talks, Rachel Reeves is weighing up a temporary exemption from the tax of two or three years on new listings. When you buy shares in the UK, you typically pay a tax of 0.5% on the transaction, though the duty is no longer applicable to stocks on AIM. The US, China and Germany do not have an equivalent fee for share transactions.