



# Finance Act 1981

## 1981 CHAPTER 35

### PART VI

#### STAMP DUTY

#### 107 Sale of houses at discount by local authorities etc.

- (1) Where a conveyance or transfer to which this section applies is subject contingently to the payment of any money (whether by virtue of that conveyance or transfer or otherwise), then, notwithstanding section 57 of the <sup>M1</sup>Stamp Act 1891, that money shall not be deemed to be part of the consideration in respect of which the conveyance or transfer is chargeable with ad valorem duty.
- (2) ..... <sup>F1</sup>
- (3) This section applies to any conveyance or transfer on sale of a dwelling-house (including the grant of a lease) at a discount by—
  - (a) any Minister of the Crown or Northern Ireland department;
  - (b) a [<sup>F2</sup>local housing authority within the meaning of the Housing Act 1985], a county council, a district council within the meaning of the <sup>M2</sup>Local Government Act (Northern Ireland) 1972 or in Scotland a [<sup>F3</sup>council constituted under section 2 of the Local Government etc. (Scotland) Act 1994], the common good of such a council or any trust under its control;
  - (c) the Housing Corporation;
  - [<sup>F4</sup>(ca) Housing for Wales]
  - (d) the [<sup>F5</sup>Scottish Homes];
  - (e) the Northern Ireland Housing Executive;
  - (f) a housing association registered under [<sup>F6</sup>the Housing Associations Act 1985] or Article 124 of the <sup>M3</sup>Housing (Northern Ireland) Order 1981;
  - [<sup>F7</sup>(ff) a housing action trust established under Part III of the Housing Act 1988;]
  - (g) a development corporation established by an order made or having effect as if made under the <sup>M4</sup>New Towns Act 1965 or the <sup>M5</sup>New Towns (Scotland)

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- Act 1968 or an urban development corporation established by an order made under section 135 of the <sup>M6</sup>Local Government, Planning and Land Act 1980;
- (h) the Commission for the New Towns or a new town commission established under section 7 of the <sup>M7</sup>New Towns Act (Northern Ireland) 1965;
  - (i) the Development Board for Rural Wales;
  - (j) the Council of the Isles of Scilly;
  - (k) a police authority within the meaning of [<sup>F8</sup>section 101(1) of the Police Act 1996] or section 2(1) or 19(9)(b) of the <sup>M8</sup>Police (Scotland) Act 1967, or the Police Authority for Northern Ireland;
  - (l) an Education and Libraries Board established under the <sup>M9</sup>Education and Libraries (Northern Ireland) Order 1972;
  - (m) any person mentioned in paragraph (e), (i), (j) or (l) of section 1(10) of the <sup>M10</sup>Tenants' Rights, Etc. (Scotland) Act 1980.
  - [<sup>F9</sup>(n) the United Kingdom Atomic Energy Authority]
  - [<sup>F10</sup>(o) such other body as the Treasury may, by order made by statutory instrument, prescribe for the purposes of this section]

[<sup>F11</sup>(3A) This section also applies to any conveyance or transfer on sale of a dwelling house where the conveyance or transfer is made pursuant to a sub-sale made at a discount by a body falling within subsection (3)(f) above.]

[<sup>F12</sup>(3B) This section also applies to a conveyance or transfer on sale (including the grant of a lease) by a person against whom the right to buy under Part V of the Housing Act 1985 is exercisable by virtue of section 171A of that Act (preservation of right to buy on disposal to private sector landlord) to a person who is the qualifying person for the purposes of the preserved right to buy and in relation to whom that dwelling-house is the qualifying dwelling-house.]

(4) This section applies to instruments executed on or after 23rd March 1981 and shall be deemed to have come into force on that date.

#### Textual Amendments

- F1** S. 107(2) repealed by Finance Act 1985 (c. 54, SIF 114), s. 98(6), **Sch. 27 Pt. IX(1)**
- F2** Words substituted by Housing (Consequential Provisions) Act 1985 (c. 71, SIF 61), s. 4, **Sch. 2 para. 48(a)**
- F3** Words in s. 107(3)(b) substituted (1.4.1996) by 1994 c. 39, s. 180(1), **Sch. 13 para. 123**; S.I. 1996/323, **art. 4(c)**
- F4** S. 107(3)(ca) inserted (E.W.S.) by Housing Act 1988 (c. 50, SIF 61), s. 140, **Sch. 17 Pt. II para. 105**
- F5** Reference to Scottish Homes substituted (E.W.S.) for the reference to Scottish Special Housing Association by Housing (Scotland) Act (c. 43, SIF 61), Ss. 1, 3 Sch. 2 para. 1
- F6** Words substituted by Housing (Consequential Provisions) Act 1985 (c. 71, SIF 61), s. 4, **Sch. 2 para. 48(b)**
- F7** S. 107(3)(ff) inserted by Finance Act 1988 (c. 39, SIF 114), **s. 142(2)**
- F8** Words in s. 107(3)(k) substituted (22.8.1996) by 1996 c. 16, ss. 103, 104, **Sch. 7 Pt. II para. 33**
- F9** S. 107(3)(n) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(2)(4)**
- F10** S. 107(3)(o) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(5)**
- F11** S. 107(3A) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(3)(4)**
- F12** S. 107(3B) inserted (17.8.1992) by Housing and Planning Act 1986 (c. 63, SIF 114), s. 24(1)(2), **Sch. 5 Pt. II para. 18**; S.I. 1992/1753, **art. 2(2)**.

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**Modifications etc. (not altering text)**

**C1** S. 107 applied by S.I. 1986/2092, art. 12

**Marginal Citations**

- M1** 1891 c. 39.  
**M2** 1972 c. 9 (N.I.)  
**M3** S.I. 1981/156 (N.I. 3).  
**M4** 1965 c. 59.  
**M5** 1968 c. 16.  
**M6** 1980 c. 65.  
**M7** 1965 c. 13. (N.I.)  
**M8** 1967 c. 77.  
**M9** S.I. 1972/1263 (N.I. 12).  
**M10** 1980 c. 52.

**108 Shared ownership transactions.**

- (1) Section 97 of the <sup>M11</sup>Finance Act 1980 (shared ownership transactions) shall have effect with the amendments specified in subsections (2) to (4) below.
- <sup>X1</sup>(2) In subsection (1) after the word “value” there shall be inserted the words “ or sum ”.
- <sup>X1</sup>(3) In subsection (2)—
- (a) for paragraph (b) there shall be substituted—
    - “(b) is granted partly in consideration of a premium calculated by reference to—
      - (i) the market value of the dwelling, or
      - (ii) a sum calculated by reference to that value, and partly in consideration of rent” ; and
  - (b) in paragraph (d) for the words “paragraph (b) above” there shall be substituted the words “ paragraph (b)(i) above or, as the case may be, the sum referred to in paragraph (b) (ii) above ” and at the end there shall be added the words “ or as the case may be, to that sum ”.
- <sup>X1</sup>(4) In subsection (3)(b) for the reference to Article 13 of the <sup>M12</sup>Housing (Northern Ireland) Order 1976 there shall be substituted a reference to Article 124 of the Housing (Northern Ireland) Order 1981.
- (5) Where a lease is granted by a body mentioned in subsection (3) of the said section 97 which—
- (a) is of a dwelling for the exclusive use of the lessee or, if there are joint lessees, of those lessees;
  - (b) provides that the lessee may on payment of a sum require the terms of the lease to be altered so that the rent payable under it is reduced;
  - (c) is granted partly in consideration of rent and partly in consideration of a premium calculated by reference to—
    - (i) the premium obtainable on the open market for the grant of a lease containing the same terms as the lease but with the substitution for the rent payable under the lease of the minimum rent, or
    - (ii) a sum calculated by reference to that premium; and

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- (d) contains a statement of the minimum rent and the premium referred to in paragraph (c)(i) above or, as the case may be, the sum referred to in paragraph (c)(ii) above and a statement to the effect that the parties intend duty to be charged in accordance with this section by reference to that rent and that premium or, as the case may be, that sum,

the lease shall be chargeable to stamp duty as if the premium paid by the lessee were equal to the premium or, as the case may be, the sum, stated in the lease in accordance with paragraph (d) above and the rent payable were as so stated.

- (6) In subsection (5) above “minimum rent” in relation to any lease means the lowest rent which could become payable under the lease if it were altered as mentioned in paragraph (b) of that subsection at the date when the lease is granted.
- (7) This section applies to instruments executed on or after 23rd March 1981 and shall be deemed to have come into force on that date.

#### Editorial Information

- X1** The text of s. 108(2)-(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

#### Modifications etc. (not altering text)

- C2** S. 108(5)(6) extended by Finance Act 1987 (c. 16, SIF 114), s. 54(2)-(4)

#### Marginal Citations

- M11** 1980 c. 48.  
**M12** S.I 1981/156 (N.I. 3).

**109** ..... <sup>F13</sup>

#### Textual Amendments

- F13** S. 109 repealed by Finance Act 1986 (c. 41, SIF 40:1), s. 114, Sch. 23 Pt. IX(2)

#### **110 Pooled pension funds.**

In Part VII of the <sup>M13</sup>Finance Act 1946, Part III of the <sup>M14</sup>Finance (No. 2) Act (Northern Ireland) 1946, . . . <sup>F14</sup> the references to unit trust schemes shall be deemed not to include references to common investment arrangements made by the trustees of exempt approved schemes (within the meaning of section [<sup>F15</sup>592(1) of the Taxes Act]) solely for the purposes of the schemes.

#### Textual Amendments

- F14** Words repealed by Finance Act 1988 (c. 39, SIF 114), s. 148, Sch. 14 Pt. XI  
**F15** Words substituted by Finance Act 1988 (c. 39, SIF 114), s. 146, Sch. 13 Pt. II paras. 21, 25

#### Marginal Citations

- M13** 1946 c. 64.

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**M14** [1946 c. 17 \(N.I.\)](#)

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