

## SCHEDULES

### SCHEDULE 1

#### PROVISIONS SUPPLEMENTING SECTIONS 1 TO 3

##### *Stamp duty*

- 4 (1) Stamp duty shall not be chargeable under section 47 of the Finance Act 1973 in respect of—
- (a) the formation of a subsidiary of the Railways Board ; or
  - (b) any increase in the capital of such a subsidiary;
- if the transaction concerned is certified by the Treasury as satisfying the requirements of sub-paragraphs (2) and (3) below.
- (2) A transaction satisfies the requirements of this sub-paragraph if it is effected solely for the purpose—
- (a) of facilitating the eventual disposal under section 1 of this Act of any part of the Board's undertaking or of any property, rights or liabilities; or
  - (b) of complying with a direction given by the Secretary of State under section 3 of this Act.
- (3) A transaction satisfies the requirements of this sub-paragraph if—
- (a) it is entered into solely in connection with a transfer to be effected by section 7(6) of the Transport Act 1968, takes place on or before the transfer date and does not give rise to an excess of capital; or
  - (b) it consists of the conversion of loan stock into share capital or the issue of shares in satisfaction of a debt owed by the subsidiary to the Railways Board or to another of their subsidiaries.
- (4) In this paragraph " issued capital" means issued share capital or loan capital; and for the purposes of this paragraph a transaction gives rise to an excess of capital if—
- (a) in a case falling within sub-paragraph (1)(a) above the total issued capital of the subsidiary exceeds, on the transfer date, the total value of the assets less liabilities transferred ; or
  - (b) in a case falling within sub-paragraph (1)(b) above the aggregate amount of the increase of issued capital of the subsidiary exceeds, on that date, that total value.