



Finance Act 1986

1986 CHAPTER 41

PART III

STAMP DUTY

Loan capital, letters of allotment etc.

[^{F1}80C Repurchases and stock lending.

- (1) This section applies where a person (A) has entered into an arrangement with another person (B) under which—
- (a) B is to transfer stock of a particular kind to A or his nominee, and
 - (b) stock of the same kind and amount is to be transferred by A or his nominee to B or his nominee,
- and the conditions set out in subsection [^{F2} (2A) or] (3) below are fulfilled.
- (2) Stamp duty shall not be chargeable on an instrument transferring stock to B or his nominee or A or his nominee in accordance with the arrangement.

[The conditions in this subsection are—

^{F3}(2A) (a) that A or B

[is authorised under the law of an EEA State [^{F5} or Gibraltar] to provide
^{F4}(i) any of the investment services or activities listed in Section A 2 or 3 of Annex I to the Directive (execution of orders on behalf of clients and dealing on own account) in relation to stock of the kind concerned, whether or not A or B is authorised under the Directive;]^{F6} or

(ii) has permission under the Financial Services and Markets Act 2000 to carry on any of the investment services or activities in paragraph 2 or 3 of Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;]

(b) that stock of the kind concerned is regularly traded on a regulated market.]

(3) The conditions [^{F7} in this subsection] are—

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- (a) that the arrangement is effected on [^{F8}a regulated market, a multilateral trading facility] or a recognised foreign exchange; and
 - (b) that stock of the kind concerned is regularly traded on that [^{F9}market, facility or] exchange.
- (4) An arrangement does not fall within subsection (1) above if—
- (a) the arrangement is not such as would be entered into by persons dealing with each other at arm's length; or
 - (b) under the arrangement any of the benefits or risks arising from fluctuations, before the transfer to B or his nominee takes place, in the market value of the stock accrues to, or falls on, A.
- (5) An instrument on which stamp duty is not chargeable by virtue only of subsection (2) above shall not be deemed to be duly stamped unless it has been stamped with a stamp denoting that it is not chargeable with any duty; and notwithstanding anything in section 122(1) of the ^{M1}Stamp Act 1891, the stamp may be a stamp of such kind as the Commissioners may prescribe.
- (6) An arrangement is effected on [^{F10}a market, a facility or] an exchange for the purposes of subsection (3) above if (and only if)—
- (a) it is subject to the rules of [^{F11}the market, facility or exchange]; and
 - (b) it is reported to [^{F11}the market, facility or exchange] in accordance with the rules of [^{F11}the market, facility or exchange].
- (7) In this section—
- [^{F12}“the Directive” has the meaning given in section 80B(2) above;]
 - [^{F12}“EEA State” has the meaning given in section 80B(2) above;]
 - ^{F13}...
 - [^{F14}“multilateral trading facility” has the meaning given in section 80B(2);]
 - “recognised foreign exchange” has the meaning given in section 80B(3) above.
 - [^{F14}“regulated market” has the meaning given in section 80B(2).]
- ^{F15}(7A)
- (8) The Treasury may by regulations provide that if stamp duty would be chargeable on an instrument but for subsection (2) above, stamp duty shall be chargeable on the instrument at a rate, specified in the regulations, which shall not exceed 10p for every £100 or part of £100 of the consideration for the transfer.
- (9) The Treasury may by regulations amend this section (as it has effect for the time being) in order—
- (a) to change the conditions for exemption from duty under this section; or
 - (b) to provide that this section does not apply in relation to kinds of arrangement specified in the regulations.
- (10) The power to make regulations under subsection (8) or (9) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.]

Textual Amendments

F1 S. 80C inserted (20.10.1997) by 1997 c. 16, s. 98(1)(3); S.I. 1997/2428, art. 2

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- F2** Words in s. 80C(1) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(2\)](#)
- F3** S. 80C(2A) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(3\)](#)
- F4** Words in s. 80C(2A)(a) renumbered as s. 80C(2A)(a)(i) (31.12.2020) by [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, [2\(4\)\(a\)\(i\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in s. 80C(2A)(i) inserted (31.12.2020) by [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, [2\(4\)\(a\)\(ii\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F6** S. 80C(2A)(ii) and word inserted (31.12.2020) by [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, [2\(4\)\(a\)\(ii\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in s. 80C(3) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(4\)\(a\)](#)
- F8** Words in s. 80C(3) substituted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(4\)\(b\)](#)
- F9** Words in s. 80C(3) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(4\)\(c\)](#)
- F10** Words in s. 80C(6) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(5\)\(a\)](#)
- F11** Words in s. 80C(6) substituted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(5\)\(b\)](#)
- F12** Words in s. 80C(7) inserted (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 21 para. 5\(6\)\(a\)](#)
- F13** Words in s. 80C(7) repealed (with effect in accordance with Sch. 21 para. 5(8) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), Sch. 21 para. 5(6)(b), [Sch. 27 Pt. 4\(2\)](#)
- F14** Words in s. 80C(7) inserted (31.12.2020) by [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, [2\(4\)\(b\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F15** S. 80C(7A) omitted (31.12.2020) by virtue of [The Stamp Duty and Stamp Duty Reserve Tax \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/515\)](#), regs. 1, [2\(4\)\(c\)](#); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

- C1** S. 80C extended (12.10.2004) by [The Stamp Duty and Stamp Duty Reserve Tax \(Extension of Exceptions relating to Recognised Exchanges\) Regulations 2004 \(S.I. 2004/2421\)](#), art. 1, [reg. 2](#)
- C2** S. 80C: power to extend conferred (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [s. 50\(1\)-\(4\)](#)
- C3** S. 80C extended (with modifications) (11.8.2005) by [The Stamp Duty and Stamp Duty Reserve Tax \(Extension of Exceptions relating to Recognised Exchanges\) Regulations 2005 \(S.I. 2005/1990\)](#), regs. 1, [2-7](#)
- C4** S. 80C extended (16.2.2006) by [The Stamp Duty and Stamp Duty Reserve Tax \(Extension of Exceptions relating to Recognised Exchanges\) Regulations 2006 \(S.I. 2006/139\)](#), regs. 1, [2\(1\)](#)
- C5** S. 80C: power to extend conferred (24.7.2002) by [2002 c. 23](#), [s. 117\(2\)](#)
- C6** S. 80C extended (26.7.2002) by [S.I. 2002/1975](#), [art. 2](#)

Marginal Citations

- M1** 1891 c. 39.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1986, Section 80C.