



Finance Act 1988

1988 CHAPTER 39

PART IV

MISCELLANEOUS AND GENERAL

Stamp duty and stamp duty reserve tax

144 Stamp duty reserve tax: paired shares etc

- (1) Section 99 of the Finance Act 1986 (stamp duty reserve tax: interpretation) shall be amended as follows.
- (2) For subsections (3) to (6) there shall be substituted —
 - “(3) Subject to the following provisions of this section, “chargeable securities” means —
 - (a) stocks, shares or loan capital,
 - (b) interests in, or in dividends or other rights arising out of, stocks, shares or loan capital,
 - (c) rights to allotments of or to subscribe for, or options to acquire, stocks, shares or loan capital, and
 - (d) units under a unit trust scheme.
 - (4) “Chargeable securities” does not include securities falling within paragraph (a), (b) or (c) of subsection (3) above which are issued or raised by a body corporate not incorporated in the United Kingdom unless —
 - (a) they are registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised, or
 - (b) in the case of shares, they are paired with shares issued by a body corporate incorporated in the United Kingdom, or
 - (c) in the case of securities falling within paragraph (b) or (c) of subsection (3) above, paragraph (a) or (b) above applies to the stocks, shares or loan capital to which they relate.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Section 144. (See end of Document for details)

- (5) “Chargeable securities” does not include —
- (a) securities the transfer of which is exempt from all stamp duties, or
 - (b) securities falling within paragraph (b) or (c) of subsection (3) above which relate to stocks, shares or loan capital the transfer of which is exempt from all stamp duties.
- (6) “Chargeable securities” does not include interests in depositary receipts for stocks or shares.
- (6A) For the purposes of subsection (4) above, shares issued by a body corporate which is not incorporated in the United Kingdom (“the foreign company”) are paired with shares issued by a body corporate which is so incorporated (“the UK company”) where —
- (a) the articles of association of the UK company and the equivalent instruments governing the foreign company each provide that no share in the company to which they relate may be transferred otherwise than as part of a unit comprising one share in that company and one share in the other, and
 - (b) such units have been offered for sale to the public in the United Kingdom and, at the same time, an equal number of such units have been offered for sale to the public at a broadly equivalent price in the country in which the foreign company is incorporated.”
- (3) ^{F1}
- (4) In subsection (10), for paragraph (a) there shall be substituted —
- “(a) paragraph (a) of subsection (4) above and the reference to that paragraph in paragraph (c) of that subsection shall be ignored, and”.
- (5) After subsection (10) there shall be added —
- “(11) In interpreting “chargeable securities” in section 93 or 96 above in a case where —
- (a) newly subscribed shares, or
 - (b) securities falling within paragraph (b) or (c) of subsection (3) above which relate to newly subscribed shares,
- are issued in pursuance of an arrangement such as is mentioned in that section (or an arrangement which would be such an arrangement if the securities issued were chargeable securities), paragraph (b) of subsection (4) above and the reference to that paragraph in paragraph (c) of that subsection shall be ignored.
- (12) In subsection (11) above, “newly subscribed shares” means shares issued wholly for new consideration in pursuance of an offer for sale to the public.”
- (6) This section applies in relation to —
- (a) agreements to transfer chargeable securities (within the meaning of section 99 of the Finance Act 1986 as amended by this section) made on or after 9th December 1987; and
 - (b) the transfer, issue or appropriation of such securities, or the issue of securities such as are mentioned in subsection (11) of that section, on or after that date in pursuance of an arrangement such as is mentioned in that subsection (whenever the arrangement was made),

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and shall be deemed to have come into force on that date.

Textual Amendments

- F1** S. 144(3) repealed (with effect as mentioned in Sch. 20 Pt. V(5) notes 1, 2 of the amending Act) by Finance Act 1999 (c. 16), s. 139, **Sch. 20 Pt. V(5)**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1988, Section 144.