Finance Act 1990

1990 CHAPTER 29

PART III

STAMP DUTY AND STAMP DUTY RESERVE TAX

Repeals

107 Bearers: abolition of stamp duty

(1) Stamp duty shall not be chargeable under the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891.

(2) Subsection (1) above applies to an instrument which falls within section 60(1) of the Finance Act 1963 if it is issued on or after the abolition day.

(3) Subsection (1) above applies to an instrument which falls within section 60(2) of that Act if the stock constituted by or transferable by means of it is transferred on or after the abolition day.

(4) In subsection (2) above the reference to section 60(1) of the Finance Act 1963 includes a reference to section 9(1)(a) of the Finance Act (Northern Ireland) 1963 and in subsection (3) above the reference to section 60(2) of the former Act includes a reference to section 9(1)(b) of the latter.

108 Transfer of securities: abolition of stamp duty

(1) Where defined securities are transferred to or vested in a person by an instrument, stamp duty shall not be chargeable on the instrument.

(2) In this section "defined 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 or to dispose of, stocks, shares or loan capital, and
(d) units under a unit trust scheme.

(3) In this section "loan capital" means—
(a) any debenture stock, corporation stock or funded debt, by whatever name known, issued by a government or a body corporate or other body of persons (which here includes a local authority and any body whether formed or established in the United Kingdom or elsewhere);
(b) any capital raised by a government, or by such a body as is mentioned in paragraph (a) above, if the capital is borrowed or has the character of borrowed money, and whether it is in the form of stock or any other form;
(c) stock or marketable securities issued by a government.

(4) In this section "unit" and "unit trust scheme" have the same meanings as they had in Part VII of the Finance Act 1946 immediately before the abolition day.

(5) In this section references to a government include references to a government department, including a Northern Ireland department.

(6) In this section "government" means the government of the United Kingdom or of Northern Ireland or of any country or territory outside the United Kingdom.

(7) Subject to subsection (8) below, this section applies if the instrument is executed in pursuance of a contract made on or after the abolition day.

(8) In the case of an instrument—
(a) which falls within section 67(1) or (9) of the Finance Act 1986 (depositary receipts) or section 70(1) or (9) of that Act (clearance services), or
(b) which does not fall within section 67(1) or (9) or section 70(1) or (9) of that Act and is not executed in pursuance of a contract,

this section applies if the instrument is executed on or after the abolition day.

109 Stamp duty: other repeals

(1) Section 83 of the Stamp Act 1891 (fine for certain acts relating to securities) shall not apply where an instrument of assignment or transfer is executed, or a transfer or negotiation of the stock constituted by or transferable by means of a bearer instrument takes place, on or after the abolition day.

(2) The following provisions (which relate to the cancellation of certain instruments) shall not apply where the stock certificate or other instrument is entered on or after the abolition day—
(a) section 109(1) of the Stamp Act 1891,
(b) section 5(2) of the Finance Act 1899,
(c) section 56(2) of the Finance Act 1946, and
(d) section 27(2) of the Finance (No. 2) Act (Northern Ireland) 1946.

(3) Section 67 of the Finance Act 1963 (prohibition of circulation of blank transfers) shall not apply where the sale is made on or after the abolition day; and section 16 of the Finance Act (Northern Ireland) 1963 (equivalent provision for Northern Ireland) shall not apply where the sale is made on or after the abolition day.

(4) No person shall be required to notify the Commissioners under section 68(1) or (2) or 71(1) or (2) of the Finance Act 1986 (depositary receipts and clearance services) if he first issues the receipts, provides the services or holds the securities as there mentioned on or after the abolition day.

(5) No company shall be required to notify the Commissioners under section 68(3) or 71(3) of that Act if it first becomes aware as there mentioned on or after the abolition day.

(6) The following provisions shall cease to have effect—

(a) section 56(1), (3) and (4) and section 57(2) to (4) of the Finance Act 1946 (unit trusts),

(b) section 27(1), (3) and (4) and section 28(2) to (4) of the Finance (No. 2) Act (Northern Ireland) 1946 (unit trusts),

(c) section 33 of the Finance Act 1970 (composition by financial institutions in respect of stamp duty),

(d) section 127(7) of the Finance Act 1976 (extension of composition provisions to Northern Ireland), and

(e) section 85 of the Finance Act 1986 (provisions about stock, marketable securities, etc.).

(7) The provisions mentioned in subsection (6) above shall cease to have effect as provided by the Treasury by order.

(8) An order under subsection (7) above—

(a) shall be made by statutory instrument;

(b) may make different provision for different provisions or different purposes;

(c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Treasury to be necessary or expedient.

(9) Nothing in this section shall affect the application of section 56 of the Finance Act 1946 or section 27 of the Finance (No. 2) Act (Northern Ireland) 1946 by section 259 of the Inheritance Tax Act 1984.

110 Stamp duty reserve tax: abolition

(1) Stamp duty reserve tax shall cease to be chargeable.

(2) In relation to the charge to tax under section 87 of the Finance Act 1986 subsection (1) above applies where—

(a) the agreement to transfer is conditional and the condition is satisfied on or after the abolition day, or

(b) the agreement is not conditional and is made on or after the abolition day.

(3) In relation to the charge to tax under section 93(1) of that Act subsection (1) above applies where securities are transferred, issued or appropriated on or after the abolition day (whenever the arrangement was made).

(4) In relation to the charge to tax under section 96(1) of that Act subsection (1) above applies where securities are transferred or issued on or after the abolition day (whenever the arrangement was made).

(5) In relation to the charge to tax under section 93(10) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.

(6) In relation to the charge to tax under section 96(8) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.

(7) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 93(10) of that Act, in construing section 93(10) the effect of subsections (1) and (3) above shall be ignored.

(8) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 96(8) of that Act, in construing section 96(8) the effect of subsections (1) and (4) above shall be ignored.

111 General

(1) In sections 107 to 110 above "the abolition day" means such day as may be appointed by the Treasury by order made by statutory instrument.

(2) Sections 107 to 109 above shall be construed as one with the Stamp Act 1891.