



Finance Act 1997

1997 CHAPTER 16

PART VII

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty

98 Repurchases and stock lending.

- (1) After section 80B of the ^{M1}Finance Act 1986 there shall be inserted the following section—

“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 (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.
- (3) The conditions are—
- (a) that the arrangement is effected on an EEA exchange or a recognised foreign exchange; and
 - (b) that stock of the kind concerned is regularly traded on that 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

Changes to legislation: Finance Act 1997, Section 98 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (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 ^{M2}Stamp Act 1891, the stamp may be a stamp of such kind as the Commissioners may prescribe.
- (6) An arrangement is effected on an exchange for the purposes of subsection (3) above if (and only if)—
- (a) it is subject to the rules of the exchange; and
 - (b) it is reported to the exchange in accordance with the rules of the exchange.
- (7) In this section—
- “EEA exchange” has the meaning given in section 80B(2) above; and
- “recognised foreign exchange” has the meaning given in section 80B(3) above.
- (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.”
- (2) Section 82 of that Act (borrowing of stock by market makers) shall be omitted.
- (3) This section applies to instruments executed on or after the commencement day.
- (4) For the purposes of this section the commencement day is such day as the Treasury may by order made by statutory instrument appoint.

Subordinate Legislation Made

P1 [S. 98\(4\)](#) power fully exercised (8.10.1997): 20.10.1997 appointed by [S.I. 1997/2428](#), [art. 2](#)

Marginal Citations

M1 [1986 c. 41](#).

M2 [1891 c. 39](#).

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Changes and effects yet to be applied to :

- s. 97-106 repealed (pt.prosp. for s.097-99) (pt.prosp.) by [1997 c. 16 s. 113Sch. 18 Pt. 7](#) Notes 1 6

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 51(A1) inserted by [2007 c. 15 Sch. 13 para. 126\(2\)](#)
- s. 51(A1) omitted by [2008 c. 9 Sch. 43 para. 6](#)