

**Changes to legislation:** Finance Act 1999, SCHEDULE 16 is up to date with all changes known to be in force on or before 20 October 2023. 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

## SCHEDULES

### SCHEDULE 16 **U.K.**

Section 113(3).

#### STAMP DUTY: AMENDMENTS CONSEQUENTIAL ON SECTION 113

##### *General amendment*

- 1 (1) Any reference (express or implied) in any enactment, instrument or other document to the heading “Bearer Instrument” in Schedule 1 to the <sup>M1</sup>Stamp Act 1891 shall be construed, so far as is required for continuing its effect, as being or, as the case may require, including a reference to Schedule 15 to this Act.
- (2) Sub-paragraph (1)—
- (a) has effect subject to any express amendment made by this Act, and
  - (b) is without prejudice to the general application of section 17(2) of the <sup>M2</sup>Interpretation Act 1978 (general effect of repeal and re-enactment).

##### **Marginal Citations**

- M1** 1891 c.39.  
**M2** 1978 c.30.

##### *Finance Act 1963 (c.25)*

- 2 In section 67 of the Finance Act 1963 (prohibition of circulation of blank transfers) for subsection (4) substitute—
- “(4) In this section—
- (a) “stock” includes securities;
  - (b) references to stock include any interest in, or in any fraction of, stock or in any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock; and
  - (c) “transfer” includes any instrument used for transferring stock.
- (4A) Nothing in this section applies to—
- (a) an instrument which is chargeable with duty at the rate specified in paragraph 5 of Schedule 15 to the Finance Act 1999 (certain bearer instruments issued by or on behalf of non-UK companies) and is duly stamped, or
  - (b) renounceable letters of allotment, letters of rights or other similar instruments where the rights under the letter or other instrument are renounceable not later than six months after its issue.”.

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*Finance Act 1976 (c.40)*

- 3 In section 131(3) of the Finance Act 1976 (exemption for instruments issued by Inter-American Development Bank) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

*Finance Act 1984 (c.43)*

- 4 In section 126(3)(c) and (5) of the Finance Act 1984 (exemption for bearer instruments issued by designated international organisations) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

*Finance Act 1986 (c.41)*

- 5 In section 79(2) of the Finance Act 1986 (exemption for instruments relating to loan capital), for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

- 6 (1) Section 90 of the Finance Act 1986 (exceptions from general charge to stamp duty reserve tax) is amended as follows.

- (2) In subsection (3) for paragraph (a) substitute—

“(a) a non-UK bearer instrument;”.

- (3) In subsection (3A) for “an inland bearer instrument within the meaning of the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ a UK bearer instrument ”.

- (4) In subsection (3B) for “exemption 3 in the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc.) ”.

- (5) In subsection (3C) for paragraph (b) substitute—

“(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument by virtue only of the exemption conferred by paragraph 17 of that Schedule (non-sterling bearer instruments); and”.

- (6) In subsection (3E) for paragraph (b) substitute—

“(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument—

(i) by virtue only of the exemption conferred by section 79(2) above (bearer instruments relating to loan capital), or

(ii) by virtue only of that provision and paragraph 17 of that Schedule (non-sterling bearer instruments);”.

- 7 (1) In section 95 of the Finance Act 1986 (exceptions from charge to stamp duty reserve tax on entry into depositary receipt system), for subsection (2) substitute—

“(2) There shall be no charge to tax under section 93 above in respect of a transfer, issue or appropriation of a UK bearer instrument, except in the case of—

(a) an instrument within the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of

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- allotment etc. where rights are renounceable not later than six months after issue), or
- (b) an instrument within the exemption conferred by paragraph 17 of that Schedule (non-sterling instruments) which—
- (i) does not raise new capital, and
  - (ii) is not issued in exchange for an instrument raising new capital.”.
- (2) There shall be no charge to tax under section 93 of that Act by virtue of paragraph (b) of subsection (2) of section 95 as substituted by sub-paragraph (1) above in the case of an instrument which gives effect to an agreement for a company merger or takeover entered into in writing by the companies involved before 30th January 1999.
- 8 (1) In section 97 of the Finance Act 1986 (exceptions from charge to stamp duty reserve tax on entry into clearance system), for subsection (3) substitute—
- “(3) There shall be no charge to tax under section 96 above in respect of a transfer or issue of a UK bearer instrument, except in the case of—
- (a) an instrument within the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc. where rights are renounceable not later than six months after issue), or
  - (b) an instrument within the exemption conferred by paragraph 17 of that Schedule (non-sterling instruments) which—
- (i) does not raise new capital, and
  - (ii) is not issued in exchange for an instrument raising new capital.”.
- (2) There shall be no charge to tax under section 96 of that Act by virtue of paragraph (b) of subsection (3) of section 97 as substituted by sub-paragraph (1) above in the case of an instrument which gives effect to an agreement for a company merger or takeover entered into in writing by the companies involved before 30th January 1999.
- 9 In section 99 of the Finance Act 1986 (interpretation of Part IV), after subsection (1) insert—
- “(1A) “Bearer instrument” has the same meaning as in Schedule 15 to the Finance Act 1999.
- An instrument is a “UK bearer instrument” or “non-UK bearer instrument” according to whether it is issued by or on behalf of a UK company or a non-UK company within the meaning of that Schedule.”.

*Finance Act 1987 (c.16)*

- 10 (1) Section 50 of the Finance Act 1987 (warrants to purchase government stock etc.: exempt securities) is amended as follows.
- (2) In subsection (2) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.
- (3) In subsection (3)(b) for the words from “by virtue of section 30” to “1891” substitute “ exempt from stamp duty under paragraph 1 of Schedule 15 to the Finance Act 1999 (issue of bearer instrument) by virtue of paragraph 17 of that Schedule (certain non-sterling instruments) ”.

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- (4) In subsection (3)(c) for the words from “by virtue of section 30” to “that heading” substitute “ exempt from stamp duty under that Schedule by virtue of paragraph 17 of that Schedule or section 79(2) of the Finance Act 1986 ”.

*Finance Act 1988 (c.39)*

- 11 (1) Section 143 of the Finance Act 1988 (paired shares) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) In relation to an instrument to which this subsection applies, no duty is chargeable under paragraph 1 of Schedule 15 to the Finance Act 1999 (bearer instruments: charge on issue); but this does not affect the other requirements of that Schedule.”.
- (3) In subsection (3) for “This subsection applies” substitute “ Subsection (2) above applies ”.
- (4) For subsection (4) substitute—
- “(4) In relation to an instrument to which this subsection applies—
- (a) the foreign company shall be treated for the purposes of Schedule 15 to the Finance Act 1999 (stamp duty on bearer instruments) as a UK company, and
- (b) paragraph 17 of that Schedule (exemption for non-sterling instruments) shall not apply.”.
- (5) In subsection (5) for “This subsection applies” substitute “ Subsection (4) above applies ”.

*Finance Act 1990 (c.29)*

- 12 For section 107 of the Finance Act 1990 (bearers: abolition of stamp duty) substitute—

**“107 Stamp duty to be abolished on bearer instruments.**

- (1) Stamp duty shall not be chargeable under Schedule 15 to the Finance Act 1999 (bearer instruments).
- (2) Subsection (1) above applies in relation to the charge under paragraph 1 of that Schedule (charge on issue) where the instrument is issued on or after the abolition day.
- (3) Subsection (1) above applies in relation to the charge under paragraph 2 of that Schedule (charge on transfer of stock) where the stock constituted by or transferable by means of the instrument is transferred on or after the abolition day.”.

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**Changes and effects yet to be applied to :**

- Sch. 15 para. 6 - 8 Sch. 16 para. 2 - 11 repealed (prosp.) by [1999 c. 16 s. 123\(3\)s. 123\(4\)139Sch. 20 Pt. 5\(6\)](#) Note

**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):

- Sch. 17 para. 6 - 8 Sch. 19 Pt. 1-III repealed (prosp.) by [1999 c. 16 s. 123\(3\)s. 123\(4\)139Sch. 20 Pt. 5\(6\)](#) Note