



Finance Act 2000

2000 CHAPTER 17

PART IV

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty and Stamp duty reserve tax

[^{F1}133] Loan capital where return bears inverse relationship to results.

- (1) In section 79 of the ^{M1}Finance Act 1986 (loan capital), after subsection (7) insert—
- “(7A) Subsection (4) above shall not be prevented from applying to an instrument by virtue of subsection (6)(b) above by reason only that the loan capital concerned carries a right to interest which—
- (a) reduces in the event of the results of a business or part of a business improving, or the value of any property increasing, or
 - (b) increases in the event of the results of a business or part of a business deteriorating, or the value of any property diminishing.”.

(2) For the purposes of stamp duty, subsection (1) above has effect where the instrument is executed on or after 21st March 2000.

(3) For the purposes of stamp duty reserve tax, subsection (1) above has effect—

 - (a) in relation to the charge to tax under section 87 of the Finance Act 1986, where—
 - (i) the agreement to transfer is conditional and the condition is satisfied on or after 21st March 2000, or
 - (ii) the agreement is not conditional and is made on or after that date;
 - (b) in relation to the charge to tax under section 93(1) of that Act, where securities are transferred, issued or appropriated on or after 21st March 2000 (whenever the arrangement was made);

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Cross Heading: Stamp duty and Stamp duty reserve tax. (See end of Document for details)

- (c) in relation to the charge to tax under section 96(1) of that Act, where securities are transferred or issued on or after 21st March 2000 (whenever the arrangement was made);
- (d) in relation to the charge to tax under section 93(10) of that Act, where securities are issued or transferred on sale, under terms there mentioned, on or after 21st March 2000;
- (e) in relation to the charge to tax under section 96(8) of that Act, where securities are issued or transferred on sale, under terms there mentioned, on or after 21st March 2000.]

Textual Amendments

F1 S. 133 repealed (with effect as mentioned in Sch. 40 Pt. III Note 3 of the amending Act) by 2000 c. 17, s. 156, Sch. 40 Pt. III

Marginal Citations

M1 1986 c. 41.

[^{F2}134 **Transfers between depositary receipt systems and clearance systems.**

(1) In Part III of the ^{M2}Finance Act 1986 (stamp duty), after section 72 insert—

“ Transfers between depositary receipt system and clearance system

Transfers between depositary receipt system and clearance system.

- (1) Where an instrument transfers relevant securities of a company incorporated in the United Kingdom between a depositary receipt system and a clearance system—
 - (a) the provisions of section 67(2) to (5) or, as the case may be, section 70(2) to (5) above shall not apply, and
 - (b) the stamp duty chargeable on the instrument is £5.
- (2) A transfer between a depositary receipt system and a clearance system means a transfer—
 - (a) from (or to) a company that at the time of the transfer falls within section 67(6) above, and
 - (b) to (or from) a company that at that time falls within section 70(6) above.
- (3) This section does not apply to a transfer from a clearance system (that is, from such a company as is mentioned in subsection (2)(b) above) if at the time of the transfer an election is in force under section 97A below in relation to the clearance services for the purposes of which the securities are held immediately before the transfer.”.

(2) In Part IV of the ^{M3}Finance Act 1986 (stamp duty reserve tax), after section 97A insert—

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“ Transfer between depositary receipt system and clearance system.

- (1) There shall be no charge to tax under section 93 or 96 above where securities are transferred between a depositary receipt system and a clearance system.
- (2) A transfer between a depositary receipt system and a clearance system means a transfer—
 - (a) from (or to) a company which at the time of the transfer falls within section 67(6) above, and
 - (b) to (or from) a company which at that time falls within section 70(6) above.
- (3) This section does not apply to a transfer from a clearance system (that is, from such a company as is mentioned in subsection (2)(b) above) if at the time of the transfer an election is in force under section 97A above in relation to the clearance services for the purposes of which the securities are held immediately before the transfer.”.
- (3) In sections 67(9), 70(9), 95(1) and 97(1) of the ^{M4}Finance Act 1986 (transfers between depositary receipt systems or between clearance systems), the words “and is resident in the United Kingdom” and “and is so resident” shall cease to have effect.
- (4) In section 97A of that Act (clearance services: election for alternative system of charge), after subsection (12) add—

“(13) Nothing in section 70(9) or 97(1) above has effect to prevent a charge to stamp duty or stamp duty reserve tax arising—

 - (a) on a transfer to which subsection (5) above applies, or
 - (b) on a deemed transfer under subsection (11) above.”.
- (5) The amendments in this section have effect as follows—
 - (a) subsection (1), and subsections (3) and (4) as they apply for stamp duty purposes, apply in relation to instruments executed after the day on which this Act is passed;
 - (b) subsection (2), and subsections (3) and (4) as they apply for the purposes of stamp duty reserve tax, apply where the securities are transferred after that day.]

Textual Amendments

- F2** S. 134 repealed (with effect as mentioned in Sch. 40 Pt. III Note 3 of the amending Act) by 2000 c. 17, s. 156, Sch. 40 Pt. III
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Marginal Citations

- M2** 1986 c. 41.
M3 1986 c. 41.
M4 1986 c. 41.

Changes to legislation:

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