

SCHEDULES

SCHEDULE 20

STAMP DUTY: RESTRICTION TO INSTRUMENTS RELATING TO STOCK OR MARKETABLE SECURITIES

PART 1

SUPPLEMENTARY PROVISIONS

Reduction of stamp duty where instrument partly relating to stock or marketable securities

- 1 (1) This paragraph applies where stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 (c. 16) (transfer on sale) is chargeable on an instrument that relates partly to stock or marketable securities and partly to property other than stock or marketable securities.
- (2) In such a case—
 - (a) the consideration in respect of which duty would otherwise be charged shall be apportioned, on a just and reasonable basis, as between the stock or marketable securities and the other property, and
 - (b) the instrument shall be charged only in respect of the consideration attributed to the stock or marketable securities.

Apportionment of consideration for stamp duty purposes

- 2 (1) Where part of the property referred to in section 58(1) of the Stamp Act 1891 (c. 39) (consideration to be apportioned between different instruments as parties think fit) consists of stock or marketable securities, that provision shall have effect as if “the parties think fit” read “is just and reasonable”.
- (2) Where—
 - (a) part of the property referred to in section 58(2) of the Stamp Act 1891 (property contracted to be purchased by two or more persons etc) consists of stock or marketable securities, and
 - (b) both or (as the case may be) all the relevant persons are connected with one another,that provision shall have effect as if the words from “for distinct parts of the consideration” to the end of the subsection read “, the consideration shall be apportioned in such manner as is just and reasonable, so that a distinct consideration for each part of the property transferred is set forth in the transfer relating to that part, and the transfer shall be charged with *ad valorem* duty in respect of that consideration.”.

- (3) If in a case where sub-paragraph (1) or (2) applies the consideration is apportioned in a manner that is not just and reasonable, the enactments relating to stamp duty shall have effect as if—
- (a) the consideration had been apportioned in a manner that is just and reasonable, and
 - (b) the amount of any distinct consideration set forth in any transfer relating to a part of the property transferred were such amount as is found by a just and reasonable apportionment (and not the amount actually set forth).
- (4) For the purposes of sub-paragraph (2)—
- (a) a person is a relevant person if he is a person by or for whom the property is contracted to be purchased;
 - (b) the question whether persons are connected with one another shall be determined in accordance with section 839 of the Taxes Act 1988.