



Finance Act 2020

2020 CHAPTER 14

PART 3

OTHER TAXES

Stamp duty and stamp duty reserve tax

79 Stamp duty: acquisition of target company's share capital

- (1) Section 77A of FA 1986 (disqualifying arrangements) is amended as follows.
- (2) In subsection (2), after paragraph (b) insert—

“but a person who has held at least 25% of the issued share capital of the target company at all times during the relevant period is not within paragraph (a) or (b).”
- (3) After that subsection insert—

“(2A) For the purposes of subsection (2) the “relevant period” is the period of 3 years ending immediately before the time at which the shares in the acquiring company are issued (or first issued) as consideration for the acquisition.”
- (4) In subsection (3) omit “But”.
- (5) After subsection (5) insert—

“(5A) The Treasury may by regulations amend subsection (2) or (2A) so as to alter the percentage or length of the period for the time being specified there.

“(5B) The power to make regulations under subsection (5A) is exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.”
- (6) The amendments made by this section have effect in relation to instruments executed on or after the day on which this Act is passed.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, Section 79.