



# Finance Act 1961

## 1961 CHAPTER 36

### PART III

#### GENERAL AND SUPPLEMENTARY

#### **34 Stamp duty on transfers of stock in the course of transactions involving the borrowing of stock by dealers**

- (1) This section shall have effect where a dealer (in this section referred to as " the borrower") has in the ordinary course of his business as a dealer contracted to sell stock and, in order to enable him to fulfil the contract, some other person (in this section referred to as " the lender "), being a person who is not a dealer.—
- (a) transfers stock to the borrower or his nominee, or
  - (b) procures the transfer of stock from another person who is not a dealer or a dealer's nominee to the borrower or his nominee,

in consideration of an undertaking by the borrower to the lender subsequently to transfer, or procure the transfer of, stock of the same description and amount to the lender, or to the lender's

In this section the transfer to the borrower or his nominee is referred to as an initial transfer, and any transfer effected or procured by the borrower in discharge of his undertaking is referred to as a final transfer.

- (2) The maximum stamp duty chargeable on an initial transfer which is not a transfer on sale shall be ten shillings notwithstanding that it is chargeable under sub-head (2) of the heading " CONVEYANCE or TRANSFER whether on sale or otherwise " in the First Schedule to the Stamp Act, 1891 (which relates to colonial stock).
- (3) The maximum stamp duty chargeable on any final transfer which is a transfer to the person who was the transferor under the initial transfer shall be ten shillings and if any such final transfer is a transfer from the borrower or his nominee it shall for the purposes of subsection (2) of section forty-two of the Finance Act, 1920 (under which a transfer on sale of stock to a dealer may be freed from full ad valorem duty if the dealer transfers the stock to a bona fide purchaser within two months), be regarded

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*Status: This is the original version (as it was originally enacted).*

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as a transfer to a bona fide purchaser whether or not it would be so regarded apart from this subsection.

- (4) This section shall have effect as from the beginning of August, nineteen hundred and sixty-one.
- (5) In this section the expressions "dealer" and "stock" have the same meanings as in the said section forty-two, and this section shall be construed as one with the Stamp Act, 1891.