



Finance Act 1930

1930 CHAPTER 28 20 and 21 Geo 5

PART IV

STAMPS.

42 Relief from transfer stamp duty in case of transfer of property as between associated companies.

- (1) Stamp duty under [^{F1}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)], shall not be chargeable on an instrument to which this section applies;

Provided that no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable, or it has in accordance with the provisions of section twelve of the said Act been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped.

- [^{F2}(2) This section applies to any instrument as respects which it is shown to the satisfaction of the Commissioners [^{F3}that—

- (a) the effect of the instrument is to convey or transfer a beneficial interest in property from one body corporate [^{F4}(“the transferor”) to another (“the transferee”)], and
- (b) the bodies in question are associated at the time the instrument is executed]

[^{F5}unless at the time the instrument is executed arrangements are in existence by virtue of which at that or some later time any person has or could obtain, or any persons together have or could obtain, control of the transferee but not of the transferor.]

- [For the purposes of this section bodies corporate are associated at a particular time if at [^{F6}(2A) that time one is the parent of the other or another body corporate is the parent of each.

- (2B) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body

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- [^{F7}(a)] is beneficially owner of not less than 75 per cent. of the ordinary share capital of the second body]
- [^{F8}(b)] is beneficially entitled to not less than 75 per cent of any profits available for distribution to equity holders of the second body; and
- (c) would be beneficially entitled to not less than 75 per cent of any assets of the second body available for distribution to its equity holders on a winding-up.]
- (3) The ownership referred to in [^{F9}paragraph (a) of] subsection [^{F10}(2B)] above is ownership either directly or through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate, and Part I of Schedule 4 to the ^{M1}Finance Act 1938 (determination of amount of capital held through other bodies corporate) shall apply for the purposes of [^{F11}that paragraph]. . .]
- [^{F12}(4) In this section “ordinary share capital”, in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.]
- [^{F13}(5) [^{F14}Chapter 6 of Part 5 of the Corporation Tax Act 2010] shall apply for the purposes of paragraphs (b) and (c) of subsection (2B) as it applies for the purposes of [^{F15}section 151(4)(a) and (b)] of that Act; but this is subject to subsection (6).
- (6) In determining for the purposes of this section whether a body corporate is the parent of the transferor, [^{F16}sections 171(1)(b) and (3), 173, 174 and 176 to 178 of the Corporation Tax Act 2010] shall not apply for the purposes of paragraph (b) or (c) of subsection (2B).
- (7) In this section, “control” shall be construed in accordance with [^{F17}section 1124 of the Corporation Tax Act 2010] .]

Textual Amendments

- F1** Words in s. 42(1) substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, ss, 112(4), 122, Sch. 14 para. 3
- F2** S. 42(2)(3) substituted for s. 42(2) by Finance Act 1967 (c. 54), s. 27(2)
- F3** Word, hyphen and paras. (a) and (b) substituted (1.5.1995) for the words in s. 42(2) by 1995 c. 4, s. 149(2)(7) (with Sch. 8 paras. 55(2), 57(1))
- F4** Words in s. 42(2)(a) substituted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(2)
- F5** Words in s. 42(2) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(3)
- F6** S. 42(2A)(2B) inserted (1.5.1995) by 1995 c. 4, s. 149(3)(7) (with Sch. 8 paras. 55(2), 57(1))
- F7** S. 42(2B): words re-numbered as sub-paragraph (a) (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by virtue of 2000 c. 17, s. 123(4)
- F8** S. 42(2B)(b)(c) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(4)
- F9** Words in s. 42(3) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(5)(a)
- F10** Words in s. 42(3) substituted (1.5.1995) by 1995 c. 4, s. 149(4)(7) (with Sch. 8 paras. 55(2), 57(1))
- F11** Words in s. 42(3) substituted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(5)(b)
- F12** S. 42(4) inserted (1.5.1995) by 1995 c. 4, s. 149(5)(7) (with Sch. 8 paras. 55(2), 57(1))

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- F13** S. 42(5)-(7) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(6)
- F14** Words in s. 42(5) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 150(2)(a) (with Sch. 2)
- F15** Words in s. 42(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 150(2)(b) (with Sch. 2)
- F16** Words in s. 42(6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 150(3) (with Sch. 2)
- F17** Words in s. 42(7) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 150(4) (with Sch. 2)

Modifications etc. (not altering text)

- C1** S. 42 excluded (28.4.1997) by S.I. 1997/1156, reg. 11
S. 42 restricted (*retrospective* to 24.4.2002) by 2002 c. 23, s. 111, Sch. 34
- C2** S. 42 “the Commissioners” means the Commissioners of Inland Revenue
- C3** S. 42(2) modified (25.2.2011) by Horserace Betting and Olympic Lottery Act 2004 (c. 25), ss. 4(3)(a), 40; S.I. 2011/462, art. 2

Marginal Citations

- M1** 1938 c. 46.

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