



# Finance Act 1930

1930 CHAPTER 28 20 and 21 Geo 5

## PART IV

### STAMPS.

#### [<sup>F1</sup>42B. Certain mortgage arrangements not within section 42

- (1) Arrangements entered into by a company which, apart from this section, would be arrangements of the kind mentioned in section 42(2) are not to be treated as such arrangements if and so long as—
  - (a) the arrangements are a mortgage, secured by way of shares or securities in the company, which on default or the happening of any other event allows the mortgagee to exercise its rights against the mortgagor, and
  - (b) the mortgagee has not exercised its rights against the mortgagor.
- (2) This section does not apply if the mortgagee—
  - (a) possesses greater rights in respect of the shares or securities which are the subject of the mortgage than it requires to protect its interest as mortgagee, or
  - (b) could alone or together with connected persons dictate the terms or timing of the default or the happening of any event which allows it to exercise its rights against the mortgagor.
- (3) For the purposes of subsection (2)(b) a mortgagee is not, by reason only of the mortgage, connected with a company whose shares or securities are the subject of the mortgage.
- (4) In this section—

“connected” has the same meaning as in section 1122 of the Corporation Tax Act 2010;

“mortgage” means—

  - (a) in England and Wales, and Northern Ireland, any legal or equitable charge, and
  - (b) in Scotland, any right in security.]

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930, Section 42B. (See end of Document for details)*

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**Textual Amendments**

- F1** S. 42A - S. 42B inserted (1.3.2013) by [The Enactment of Extra-Statutory Concessions Order 2013 \(S.I. 2013/234\)](#), arts. 1, **4(1)** (with art. 6)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1930, Section 42B.