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STATUTORY INSTRUMENTS

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**1997 No. 1156**

**The Stamp Duty and Stamp Duty Reserve Tax (Open-ended Investment Companies) Regulations 1997**

**Repurchase of shares by authorised corporate director**

4.—(1) Where a person authorises or requires the authorised corporate director of an open-ended investment company to treat him as no longer the owner of a share in that company and does not authorise or require the authorised corporate director to treat another person as the owner of that share, he shall be deemed, for the purposes of section 87 of the Finance Act 1986<sup>(1)</sup>, to agree with the authorised corporate director to transfer that share to him; and any instrument whereby he gives the authority or makes the requirement shall be deemed for the purposes of the enactments relating to stamp duty to be a conveyance or transfer of the share on sale.

(2) Where the authorised corporate director of an open-ended investment company transfers a share in that open-ended investment company which was transferred to him within the immediately preceding two months—

- (a) any stamp duty payable in respect of the instrument of transfer relating to the transfer of the share shall not exceed 50p;
- (b) where there is no instrument of transfer, section 87 of the Finance Act 1986 shall not apply as regards the agreement to transfer.

(3) Where a share in an open-ended investment company is transferred to the authorised corporate director of that open-ended investment company and, before the expiration of two months from the date of the transfer, the authorised corporate director certifies that the events specified in paragraph (4) have occurred, the Board shall—

- (a) on the application of the person by or on behalf of whom stamp duty was paid in respect of the instrument of transfer or, where there was no instrument of transfer, stamp duty reserve tax was paid in relation to the agreement to transfer, and
- (b) on the production to them of the instrument of transfer (if any) and of the authorised corporate director's certificate,

refund the duty or, as the case may be, the tax.

(4) The events specified in this paragraph are that—

- (a) the certificate (if any) in respect of the share has been cancelled,
- (b) as a consequence of the transfer, a proportionate part of the investments of the open-ended investment company concerned has been realised and the property of the company diminished accordingly, and
- (c) the share is extinguished and the authorised corporate director has no power to transfer any other share in lieu thereof.

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(1) Section 87 was amended by paragraph 2 of Schedule 7 to the Finance Act 1987 and by sections 188(1) and 194(1) of, and Part VII of Schedule 41 to, the Finance Act 1996 (c. 8).

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(5) Paragraphs (1) to (4) shall have effect in relation to an authorised corporate director irrespective of whether he is acting on behalf of the open-ended investment company concerned or on his own account.