
STATUTORY INSTRUMENTS

1998 No. 3177

The European Single Currency (Taxes) Regulations 1998

PART VI

**REPURCHASES AND STOCK LENDING—
STAMP DUTY AND STAMP DUTY RESERVE TAX**

Renominalisation resulting in new minimum denomination in which chargeable securities can be held or traded

30.—(1) This regulation applies in a case where—

- (a) there is an arrangement involving the transfer of chargeable securities to which subsection (1) of section 89AA of the Finance Act 1986 applies,
- (b) there is a euroconversion of those chargeable securities prior to the transfer of chargeable securities under the arrangement by P or his nominee to Q or his nominee as mentioned in subsection (1)(b) of that section,
- (c) the aggregate nominal value (expressed in euros) of the chargeable securities transferred by Q to P or his nominee as mentioned in subsection (1)(a) of that section, or of chargeable securities issued to replace those chargeable securities in a euroconversion is, as a result of renominalisation, not a whole multiple of the new minimum denomination in which those chargeable securities can be traded at the time of the transfer of chargeable securities referred to in sub-paragraph (b),
- (d) chargeable securities the aggregate nominal value of which is equal to the largest whole multiple of the new minimum denomination which does not exceed the aggregate nominal value referred to in sub-paragraph (c) are required under the arrangement to be transferred by P or his nominee to Q or his nominee, and
- (e) P or his nominee is required under the arrangement to pay to Q or his nominee an amount which either—
 - (i) is equal to the amount of what would, but for the arrangement, have been the proceeds of disposal of the remainder of the chargeable securities on the renominalisation received by Q, or
 - (ii) is equal to the value, at the time of the transfer of chargeable securities referred to in sub-paragraph (b), of the remainder of the chargeable securities if the remainder could still be held at that time though not traded.

(2) Where this regulation applies, the requirement for payment of the amount specified in paragraph (1)(e) is to be regarded, for the purposes of section 89AA of the Finance Act 1986, as equivalent to a requirement for the remainder of the chargeable securities to be transferred by P or his nominee to Q or his nominee.

(3) The value referred to in paragraph (1)(e)(ii) is the appropriate proportion (based on nominal value) of the market value of the minimum amount of the original chargeable securities that, at the time of the transfer of chargeable securities referred to in paragraph (1)(b), could be traded.

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(4) Where the amount calculated in accordance with sub-paragraph (e) of paragraph (1) does not exceed 500 euros, and the arrangement does not require payment of a sum equal to this amount, this regulation shall have effect as if the amount calculated in accordance with that sub-paragraph were nil and the requirement specified in that sub-paragraph were satisfied.