



# Finance Act 1989

## 1989 CHAPTER 26

### PART III

#### MISCELLANEOUS AND GENERAL

##### *Stamp duty etc.*

#### **173 Insurance: abolition of certain duties.**

- (1) Stamp duty shall not be chargeable under—
  - (a) the heading “Policy of Life Insurance” in Schedule 1 to the <sup>M1</sup>Stamp Act 1891, or
  - (b) paragraph (3) of the heading “Bond, Covenant, or Instrument of any kind whatsoever” in that Schedule (superannuation annuities).
- (2) Subject to section 4 of the Stamp Act 1891 (separate charges on instruments containing or relating to several distinct matters) an instrument which, but for subsection (1) above, would be chargeable with stamp duty under paragraph (3) of the heading mentioned in paragraph (b) of that subsection shall not be chargeable with stamp duty under any other provision of the Stamp Act 1891.
- (3) Section 100 of the Stamp Act 1891 (penalty for not making out policy or making policy not duly stamped) shall cease to have effect.
- (4) Section 118 of the Stamp Act 1891 (assignment of life insurance policy to be stamped before payment of money assured) shall cease to have effect.
- (5) Section 47(3) of the <sup>M2</sup>Finance Act 1966 (enhanced duty where policy not exceeding 2 years is varied so as to exceed 2 years) and section 5(3) of the <sup>M3</sup>Finance Act (Northern Ireland) 1966 (equivalent provision for Northern Ireland) shall cease to have effect.
- (6) Subsections (1) and (2) above apply to instruments made after 31st December 1989.

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- (7) So far as it relates to section 100(1) of the 1891 Act, subsection (3) above applies where a person receives, or takes credit for, a premium or consideration for insurance after 30th November 1989.
- (8) So far as it relates to section 100(2) of the 1891 Act, subsection (3) above applies where the policy is made after 31st December 1989.
- (9) Subsection (4) above applies to instruments of assignment made after 31st December 1989.
- (10) Subsection (5) above applies where the policy is varied after 31st December 1989 (whenever it was made).

#### Marginal Citations

- M1** 1891 c. 39.  
**M2** 1966 c. 18.  
**M3** 1966 c. 21 (N.I.).

#### 174 Unit trusts.

- (1) The following section shall be substituted for section 101 of the Finance Act 1980—

( “**101) Unit trusts**

- (1) No stamp duty shall be chargeable on any transfer of any unit in an authorised unit trust scheme to which subsection (2) below applies.
- (2) This subsection applies to any authorised unit trust scheme under the terms of which the funds of the trust —
- (a) cannot be invested in such a way that income can arise to the trustees which will be chargeable to tax in the hands of the trustees otherwise than under Schedule C as profits arising from United Kingdom public revenue dividends or under Case III of Schedule D, and
  - (b) cannot be invested in any investment on the transfer of which ad valorem stamp duty would be chargeable.

- (3) In this section —

“authorised unit trust scheme” has the same meaning as in the Financial Services Act 1986, and

“United Kingdom public revenue dividends” means public revenue dividends payable in the United Kingdom (whether they are also payable outside the United Kingdom or not) out of the public revenue of the United Kingdom.”

- (2) This section shall have effect in relation to the transfer of units on or after the day on which this Act is passed.

#### 175 Stamp duty: stock exchange nominees

- (1) The Treasury may by regulations provide that where —

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- (a) circumstances would (apart from the regulations) give rise to a charge to stamp duty under the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891 and to a charge to stamp duty reserve tax,
  - (b) the circumstances involve a stock exchange nominee, and
  - (c) the circumstances are such as are prescribed,
- the charge to stamp duty shall be treated as not arising.
- (2) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.
- (3) In this section —
- (a) “prescribed” means prescribed by the regulations, and
  - (b) “stock exchange nominee” means a person designated for the purposes of section 127 of the Finance Act 1976 as a nominee of The Stock Exchange by an order made by the Secretary of State under subsection (5) of that section.

#### **176 Stamp duty reserve tax: stock exchange nominees**

- (1) The Treasury may by regulations provide that where —
- (a) circumstances would (apart from the regulations) give rise to two charges to stamp duty reserve tax,
  - (b) the circumstances involve a stock exchange nominee, and
  - (c) the circumstances are such as are prescribed,
- such one of the charges as may be prescribed shall be treated as not arising.
- (2) The Treasury may by regulations provide that where —
- (a) circumstances would (apart from the regulations) give rise to a charge to stamp duty reserve tax and a charge to stamp duty,
  - (b) the circumstances involve a stock exchange nominee, and
  - (c) the circumstances are such as are prescribed,
- the charge to stamp duty reserve tax shall be treated as not arising.
- (3) The Treasury may by regulations provide that a provision of an Act by virtue of which there is no charge to stamp duty reserve tax shall also apply in circumstances which involve a stock exchange nominee and are such as are prescribed.
- (4) The Treasury may by regulations provide that a provision of an Act by virtue of which the rate at which stamp duty reserve tax is charged is less than it would be apart from the provision shall also apply in circumstances which involve a stock exchange nominee and are such as are prescribed.
- (5) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.
- (6) In this section —
- (a) “prescribed” means prescribed by the regulations, and
  - (b) “stock exchange nominee” means a person designated for the purposes of section 127 of the Finance Act 1976 as a nominee of The Stock Exchange by an order made by the Secretary of State under subsection (5) of that section.

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**177 Stamp duty reserve tax: information.**

— Regulations under section 98(1) of the Finance Act 1986 (administration etc. of stamp duty reserve tax) may include —

- (a) provision that notice which the regulations require to be given to the Commissioners of Inland Revenue shall be given in a manner or form specified by the Commissioners;
- (b) provision that information which the regulations require to be supplied to the Commissioners shall be supplied in a manner or form specified by the Commissioners.

**Status:**

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