
STATUTORY INSTRUMENTS

1999 No. 3262

TAXES

**The Stamp Duty and Stamp Duty Reserve Tax
(Investment Exchanges and Clearing Houses) (OM
London Exchange Limited) Regulations 1999**

<i>Made</i>	-	-	-	-	<i>7th December 1999</i>
<i>Laid before the House of Commons</i>	-	-	-	-	<i>8th December 1999</i>
<i>Coming into force</i>	-	-			<i>29th December 1999</i>

The Treasury, in exercise of the powers conferred on them by sections 116 and 117 of the Finance Act 1991⁽¹⁾, hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Stamp Duty and Stamp Duty Reserve Tax (Investment Exchanges and Clearing Houses) (OM London Exchange Limited) Regulations 1999 and shall come into force on 29th December 1999.

(2) These Regulations shall have effect—

- (a) as respects the charge to stamp duty, in relation to instruments executed on or after 29th December 1999;
- (b) as respects the charge to stamp duty reserve tax—
 - (i) in the case of an agreement to transfer equity securities which is not conditional, where the agreement is made on or after 29th December 1999;
 - (ii) in the case of an agreement to transfer equity securities which is conditional, where the condition is satisfied on or after that date.

Interpretation

2. In these Regulations—

“clearing member” means a member who is permitted by the rules of OM London Exchange Limited to clear transactions made on that exchange for an equity security;

“equity securities” means stocks and shares which are issued or raised by a company but does not include stocks and shares issued by a company not incorporated in the United Kingdom unless—

- (a) they are registered in a register kept in the United Kingdom by or on behalf of the company, or
- (b) in the case of shares, they are paired, within the meaning of section 99(6A) of the Finance Act 1986⁽²⁾, with shares issued by a company incorporated in the United Kingdom;

“member” means a member of OM London Exchange Limited who is recognised as such by the rules of that exchange;

“non-clearing member” means a member other than a clearing member;

“option” means an option to buy or sell securities which is listed by and traded on OM London Exchange Limited;

“futures contract” means a futures, or a forward, contract conferring rights and obligations to buy or sell securities which is listed by and traded on OM London Exchange Limited.

Prescription of recognised investment exchange

3. For the purposes of sections 116 and 117 of the Finance Act 1991 OM London Exchange Limited is a recognised investment exchange which is prescribed.

Transfers and issues of securities to OM London Exchange Limited—prescribed circumstances

4.—(1) In the circumstances prescribed by paragraph (2), a charge to stamp duty or to stamp duty reserve tax shall be treated as not arising.

(2) The circumstances prescribed are where, as a result of the exercise of options, or under futures contracts, equity securities of a particular kind are transferred or issued or agreed to be transferred or issued—

- (a) to OM London Exchange Limited; or
- (b) to a person whose business is or includes holding such securities as a nominee for OM London Exchange Limited.

(3) References in this regulation and in regulation 5 to OM London Exchange Limited are references to that exchange in its capacity as a person providing clearing services in connection with a transaction made on that exchange.

Transfer of securities to or from members of OM London Exchange Limited—prescribed circumstances

5.—(1) In the circumstances prescribed by paragraph (2), a charge to stamp duty or to stamp duty reserve tax shall be treated as not arising.

(2) The circumstances prescribed are where, in order to meet an obligation to receive securities resulting from the exercise of options, or under futures contracts, equity securities of a particular kind are transferred or agreed to be transferred—

- (a) from a non-clearing member or a nominee of a non-clearing member to a clearing member or the nominee of a clearing member; or

(2) 1986 c. 41. Subsections (3) to (6A) of section 99 were substituted for subsections (3) to (6) of that section by section 144(2) of the Finance Act 1988 (c. 39), and subsection (6A) was amended by section 113(2) of the Finance Act 1990 (c. 29). Section 99, together with the remainder of Part IV of the Finance Act 1986 (comprising sections 86 to 99), was repealed by sections 110 and 111(1) of, and Part VII of Schedule 19 to, the Finance Act 1990 with effect from a day to be appointed.

- (b) from OM London Exchange Limited or a nominee of OM London Exchange Limited to a clearing member or a nominee of a clearing member.
- (3) In paragraph (2) references to a clearing member are references to a clearing member in his capacity as such.

7th December 1999

Bob Ainsworth
Greg Pope
Two of the Lords Commissioners of Her
Majesty's Treasury

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under sections 116 and 117 of the Finance Act 1991 (c. 31). Section 116 provides that a charge to stamp duty may be treated as not arising or as reduced in prescribed circumstances, and section 117 make similar provision with regard to stamp duty reserve tax.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 prescribes, for the purposes of sections 116 and 117 of the Finance Act 1991, OM London Exchange Limited as a recognised investment exchange.

Regulation 4 exempts from stamp duty or stamp duty reserve tax transfers of securities, or agreements to transfer securities, to OM London Exchange Limited (or its nominee) in its capacity as a clearer of transactions resulting from the exercise of options or under futures contracts.

Regulation 5 exempts from stamp duty or stamp duty reserve tax transfers of securities, or agreements to transfer securities, meeting an obligation to receive securities resulting from the exercise of options, or under futures contracts, in two cases. The first is where the transfer, or agreement to transfer, is from a member of OM London Exchange Limited who is not authorised to clear transactions on that exchange (or his nominee) to a member who is so authorised (or his nominee). The second is where the transfer, or agreement to transfer, is from OM London Exchange Limited in its capacity as a clearer of transactions (or its nominee) to a member who is authorised to clear transactions on that exchange (or his nominee).