



# Finance Act 1986

## 1986 CHAPTER 41

### PART V

#### INHERITANCE TAX

#### **106 Changes in financial institutions business property.**

- (1) In section 105 of the 1984 Act (relevant business property) the following shall be substituted for subsection (4)(a)—
  - “(a) does not apply to any property if the business concerned is wholly that of a market maker or is that of a discount house and (in either case) is carried on in the United Kingdom, and”.
- (2) At the end of that section there shall be inserted—
  - “(7) In this section “market maker” means a person whom—
    - (a) holds himself out at all normal times in compliance with the rules of The Stock Exchange as willing to buy and sell securities, stocks and shares at a price specified by him, and
    - (b) is recognised as doing so by the Council of The Stock Exchange.”
- (3) Subsections (1) and (2) above apply in relation to transfers of value made, and other events occurring, on or after the day of the Stock Exchange reforms.
- (4) The Board may by regulations provided that section 105(7) of the 1984 Act (as inserted by subsection (2) above) shall have effect—
  - (a) as if the reference to The Stock Exchange in paragraph (a) were to any recognised investment exchange (within the meaning [F1 given by section 285(1)(a) of the Financial Services and Markets Act 2000]) or to any of those exchanges specified in the regulations, and
  - (b) as if the reference to the Council of Stock Exchange in paragraph (b) were to the investment exchange concerned.
- (5) The Board may by regulations amend section 105 of the 1984 Act so as to secure that section 105(3) does not apply to any property if the business concerned is of

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1986, Section 106. (See end of Document for details)*

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such description as is set out in the regulations; and the regulations may include such incidental and consequential provisions as the Board think fit.

- (6) Regulations under subsection (4) or (5) above shall apply in relation to transfers of value made, and other events occurring, on or after such day, after the Stock Exchange reforms, as is specified in the regulations.
- (7) The power to make regulations under subsection (4) and (5) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (8) In this section “the day of the Stock Exchange reforms” means the day on which the rule of The Stock Exchange that prohibits a person from carrying on business as both a broker and a jobber is abolished<sup>F2</sup>.

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**Textual Amendments**

- F1** Words in s. 106(4)(a) substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 11](#)
- F2** The “day of The Stock Exchange reforms” was 27 October 1986.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1986, Section 106.