



Finance Act 1963

1963 CHAPTER 25

PART IV

STAMP DUTIES

Reduction of duties

55 Reduced duty on conveyance or transfer on sale

- (1) Subject to subsections (2) and (3) below and to the following provisions of this Part of this Act, the stamp duty chargeable under the heading " Conveyance or Transfer on sale " in Schedule 1 to the Stamp Act 1891 shall be charged by reference to the amount or value of the consideration for the sale at the following rates, that is to say—
 - (a) where the amount or value of the consideration is £4,500 or under and the instrument is certified within the meaning of section 34 of the Finance Act 1958 at £4,500, nil;
 - (b) where the amount or value of the consideration is £6,000 or under and the instrument is certified as aforesaid at £6,000, the rate specified in column 2 of Part I of Schedule 11 to this Act;
 - (c) in any other case, the rate specified in column 3 of Part I of that Schedule ; and any duty chargeable by reference to that heading shall be charged accordingly.
- (2) In relation to duty chargeable under or by reference to the said heading as it applies to a conveyance or transfer of stock or marketable securities, and to duty chargeable by reference to that heading by virtue of the heading " Lease or Tack " in the said Schedule 1 in a case where part of the consideration consists of rent and that rent exceeds £50 a year, subsection (1) above shall have effect as if paragraphs (a) and (b), and the words " in any other case " in paragraph (c), were omitted.
- (3) Nothing in this section shall affect any enactment imposing an upper limit on the amount of duty chargeable ad valorem.
- (4) In subsection (8) of section 34 of the Finance Act 1958 for the words " this section relating to instruments certified at three thousand five hundred pounds " there shall

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be substituted the words " section 55 of the Finance Act 1963 relating to instruments certified at £4,500 ".

56 Reduced duty on leases

- (1) The Table set out in Part II of Schedule 11 to this Act shall be substituted for the Table set out in paragraph (3) of the heading " Lease or Tack " in Schedule 1 to the Stamp Act 1891, and accordingly paragraph (1) of that heading shall be omitted and in paragraph (2)(a) of that heading for £25 there shall be substituted £100.
- (2) The duty chargeable under paragraph (2)(a) and paragraph (4) of the said heading shall in all cases be 10s. and £1 respectively.
- (3) For the purposes of the said heading a lease granted for a fixed term and thereafter until determined shall be treated as a lease for a definite term equal to the fixed term together with such further period as must elapse before the earliest date at which the lease can be determined; and section 75 of the said Act of 1891 (agreements for leases) shall be construed accordingly.
- (4) Section 76, subsections (3) and (4) of section 77 and section 78 of the said Act of 1891 shall cease to have effect.

57 Miscellaneous reductions

- (1) The rates of stamp duty chargeable under or by reference to the following headings or parts of headings in Schedule 1 to the Stamp Act 1891, that is to say—
 Bond, Covenant or Instrument of any kind whatsoever
 Marketable Security, paragraph (1)(b) (security not transferable by delivery)
 Mortgage, Bond, Debenture, Covenant and Warrant of Attorney,
 and under the following enactments, that is to say—
 Stamp Act 1891, sections 114 and 115
 Finance Act 1899, section 8
 Finance Act 1939, section 37,
 shall be those at which the duty would be chargeable if section 52 of the Finance Act 1947 (which doubled the rates) had not been enacted.
- (2) The duty chargeable under the heading " Bond of any kind whatsoever not specifically charged with any duty " in the said Schedule shall be calculated as if paragraph (b) of subsection (2) of section 55 of the Finance Act 1947 had not been enacted.

58 Transitional provisions relating to reduction of duty

- (1) The duty chargeable under section 115 of the Stamp Act 1891 (composition by local authorities) on any half-yearly account required to be delivered on or within seven days before 1st August 1963 shall be the same as if the account had been delivered on that day; and where any such account has been delivered before the passing of this Act any duty paid thereon in excess of the duty chargeable in accordance with this subsection shall be repaid.
- (2) Where delivery of a statement of loan capital for the purposes of section 8 of the Finance Act 1899, which should otherwise have taken place before the said date, has under section 10(2) of the Finance Act 1907 been postponed to that or a later day, the

duty chargeable on the statement so far as it relates to capital issued before that date shall be the same as if this Act had not been passed.

- (3) Any agreement entered into for the purposes of section 37 of the Finance Act 1939 (composition in respect of colonial stock) before the passing of this Act shall, so far as it relates to payments to be made on or after the said date, have effect as if it provided for the making of those payments at the reduced rate at which duty is chargeable under that section by virtue of this Act.

Bearer Instruments

59 Stamp duty on bearer instruments

- (1) In Schedule 1 to the Stamp Act 1891, after the heading "Bank Note" there shall be inserted the following heading:—

BEARER INSTRUMENT

(1) Inland bearer instrument (other than deposit certificate for overseas stock).	Duty of an amount equal to three times the transfer duty.
(2) Overseas bearer instrument (other than deposit certificate for overseas stock or bearer instrument by usage).	Duty of an amount equal to twice the transfer duty.
(3) Instrument excepted from paragraph (1) or (2) of this heading.	Duty of 6d. for every £25 or part of £25 of the market value.
(4) Inland or overseas bearer instrument given in substitution for a like instrument duly stamped ad valorem (whether under this heading or not).	Duty of 6d.;"

“EXEMPTIONS

1. Instrument constituting, or used for transferring, stock which is exempt from all stamp duties on transfer by virtue of General Exemption (1) in this Schedule or of any other enactment.
2. Bearer letter of allotment, bearer letter of rights, scrip, scrip certificate to bearer or other similar instrument to bearer where the letter, scrip, certificate or instrument is required to be surrendered not later than six months after issue.
3. Renounceable letter of allotment, letter of rights or other similar instrument where the rights under the letter or instrument are renounceable not later than six months after the issue of the letter or instrument.

and paragraph (1)(a) and (c) and paragraphs (3) and (4) of the heading " Marketable Security" and the whole of the heading " Share Warrant and Stock Certificate to Bearer " in that Schedule shall be omitted, and sections 4, 5(1) and 6 of the Finance Act 1899 shall cease to have effect.

- (2) For the purposes of the heading set out in subsection (1) above—
- (a) " inland bearer instrument " means any of the following instruments issued by or on behalf of any company or body of persons corporate or unincorporate formed or established in the United Kingdom, that is to say—
- (i) any marketable security transferable by delivery;
 - (ii) any share warrant or stock certificate to bearer and any instrument to bearer (by whatever name called) having the like effect as such a warrant or certificate;

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- (iii) any deposit certificate to bearer;
 - (iv) any other instrument to bearer by means of which any stock can be transferred ;
- (b) " overseas bearer instrument" means an instrument issued otherwise than by or on behalf of any such company or body of persons as is mentioned in paragraph (a) above, being an instrument described in sub-paragraphs (i) to (iv) of that paragraph or a bearer instrument by usage;
 - (c) " deposit certificate " means an instrument acknowledging the deposit of stock and entitling the bearer to rights (whether expressed as units or otherwise) in or in relation to the stock deposited or equivalent stock; and " deposit certificate for overseas stock" means a deposit certificate in respect of stock of any one company or body of persons not being such a company or body as is mentioned in paragraph (a) above;
 - (d) " bearer instrument by usage " means an instrument not described in the said sub-paragraphs (i) to (iv) which is used for the purpose of transferring the right to any stock, being an instrument delivery of which is treated by usage as sufficient for the purpose of a sale on the market, whether that delivery constitutes a legal transfer or not;
- and section 82 of the Stamp Act 1891 (meaning of " marketable security ") shall not apply.
- (3) For the purposes of the said heading " the transfer duty " means the duty which would be chargeable under the heading " Conveyance or Transfer on sale " in the said Schedule 1 in respect of an instrument in writing transferring the stock constituted by or transferable by means of the inland or overseas bearer instrument in question for a consideration equal to the market value of that stock.
 - (4) For the purposes of this section and the two next following sections, " stock" includes securities, and references to stock include references to any interest in, or in any fraction of, stock or in any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock; " transfer " includes negotiation and " transferable ", " transferred " and " transferring " shall be construed accordingly; and a bearer instrument by usage used for the purpose of transferring the right to any stock shall be treated as transferring that stock on delivery of the instrument, and as issued by the person by whom or on whose behalf it was first issued, whether or not it was then capable of being used for transferring the right to the stock without execution by the holder.
 - (5) Section 44 of the Finance Act 1944 (repayment of transfer duty in case of securities transferable by delivery) shall cease to have effect.

60 Payment of duty

- (1) Duty under the heading set out in subsection (1) of section 59 of this Act shall be chargeable on issue in the case of the following instruments, that is to say—
 - (a) any instrument issued in Great Britain; and
 - (b) any instrument issued by or on behalf of a company or body of persons corporate or unincorporate formed or established in Great Britain, not being a foreign loan security;

and for the purposes of this subsection " foreign loan security " means a security issued outside the United Kingdom in respect of a loan which is expressed in a currency other than sterling and is neither offered for subscription in the United Kingdom nor offered

for subscription with a view to an offer for sale in the United Kingdom of securities in respect of the loan.

- (2) Duty under the said heading in respect of any instrument not chargeable under subsection (1) above shall be chargeable on transfer in Great Britain of the stock constituted by or transferable by means of the instrument :

Provided that the duty chargeable by virtue of this subsection on the transfer of stock shall be chargeable only where duty would be chargeable under or by reference to the heading " Conveyance or Transfer on sale " in Schedule 1 to the Stamp Act 1891 if the transfer were effected by an instrument not being a bearer instrument.

- (3) Any instrument which is chargeable under the said heading on issue shall, before being issued, be produced to the Commissioners (together with such particulars in writing of the instrument as the Commissioners may require) and shall be deemed to be duly stamped if, and only if, it is stamped with a particular stamp denoting that it has been produced to the Commissioners; and within six weeks of the date on which any such instrument is issued, or such longer time as the Commissioners may allow, a statement in writing containing the date of issue and such further particulars as the Commissioners may require in respect of that instrument shall be delivered to the Commissioners, and the duty chargeable in respect of that instrument shall be paid to the Commissioners on delivery of that statement or within such longer time as the Commissioners may allow.
- (4) If default is made in complying with subsection (3) above in respect of any instrument, the person by whom or on whose behalf the instrument is issued, and any person who acts as the agent of that person for the purposes of the issue, shall be liable to a fine not exceeding the aggregate of £50 and an amount equal to the stamp duty chargeable in respect of that instrument, and shall also be liable to pay to Her Majesty the duty chargeable in respect of that instrument and interest on the duty at the rate of five per cent. per annum from the date of the default.
- (5) Where any instrument which is chargeable under the said heading on transfer of the stock constituted by or transferable by means of the instrument is presented to the Commissioners for stamping, the person presenting it, and the owner of the instrument, shall furnish to the Commissioners such particulars in writing as they may require for determining the amount of duty chargeable on that instrument.
- (6) Any person who in Great Britain transfers, or is concerned as broker or agent in transferring, any stock by or by means of any such instrument as is mentioned in subsection (5) above shall, if the instrument is not duly stamped, be liable to a fine not exceeding the aggregate of £50 and an amount equal to the stamp duty chargeable in respect of that instrument, and shall also be liable to pay to Her Majesty the duty chargeable in respect of that instrument and interest on the duty at the rate of five per cent. per annum from the date of the transfer in question.
- (7) If any person, in furnishing particulars under this section in respect of any instrument, wilfully or negligently furnishes any particulars which are false in any material respect, he shall be liable to a fine not exceeding the aggregate of £50 and an amount equal to twice the amount by which the stamp duty which ought to be charged in respect of that instrument exceeds the stamp duty paid in respect thereof.
- (8) Where any such instrument as is mentioned, in subsection (5) above has been stamped ad valorem or with a stamp indicating that it is chargeable under paragraph (4) of the

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said heading and with the duty specified in that paragraph, that instrument shall be deemed for all purposes other than subsection (7) above to have been duly stamped.

- (9) Any instrument which is deemed to be duly stamped by virtue of subsection (3) or (8) of this section shall be deemed to be duly stamped in Northern Ireland, and any instrument which is deemed to be duly stamped by virtue of the corresponding provisions in force in Northern Ireland shall be deemed to be duly stamped in Great Britain.

61 Ascertainment of market value

- (1) In relation to an instrument which is chargeable on issue, the market value of the stock constituted by or transferable by means of that instrument shall be taken for the purposes of section 59 of this Act to be—
- (a) where the stock was offered for public subscription (whether in registered or in bearer form) within twelve months before the issue of the instrument, the amount subscribed for the stock ;
 - (b) in any other case, the value of the stock on the first day within one month after the issue of the instrument on which stock of that description is dealt in on a stock exchange in the United Kingdom or, if stock of that description is not so dealt in, the value of the stock immediately after the issue of the instrument.
- (2) In relation to an instrument which is chargeable on transfer of the stock constituted by or transferable by means of that instrument, the market value of that stock shall be taken for the purposes of the said section 59 to be the value of that stock—
- (a) in the case of a transfer pursuant to a contract of sale, on the date when the contract is made;
 - (b) in any other case, on the day preceding that on which the instrument is presented to the Commissioners for stamping, or, if it is not so presented, on the date of the transfer.

Miscellaneous

62 Commonwealth stock

- (1) In Schedule 1 to the Stamp Act 1891, the heading " Conveyance or Transfer whether on sale or otherwise " (which relates to Canadian and colonial stock) shall be omitted, and any transfer of stock to which that heading applied shall be chargeable with stamp duty under the heading appropriate to a like transfer of other stock.
- (2) The rate of stamp duty chargeable under or by reference to the heading " Conveyance or Transfer on sale" in the said Schedule in respect of a transfer of commonwealth government stock shall be one quarter of the rate of duty which would be chargeable under that heading apart from this subsection, except that where the amount or value of the consideration does not exceed £5 the duty shall be 3d.
- (3) Section 37 of the Finance Act 1939 shall apply to all commonwealth government stock including any such stock which is constituted by or transferable by means of overseas bearer instruments within the meaning of the heading set out in section 59(1) of this Act; and accordingly—

- (a) the reference in subsection (1)(b) of the said section 37 to the stamp duty which would be payable on transfers of the stock shall include a reference to the stamp duty which would be payable in respect of such instruments ; and
- (b) any such instrument to which an agreement made under that section applies and which would otherwise be chargeable to stamp duty shall be exempt from that duty:

Provided that nothing in this section shall be taken as affecting any agreement made under that section before the commencement of this Part of this Act.

- (4) In sections 82 and 83 of the Stamp Act 1891 (marketable securities) for the word " colonial " wherever it occurs, there shall be substituted the word " commonwealth ".
- (5) Section 2 of the Indian Securities Act 1860 (exemption for certain India stock) and section 28 of the Finance Act 1936 (India stocks and securities to be treated as colonial stock) are hereby repealed.
- (6) In this section " commonwealth government stock " means stock or marketable securities issued by the government of any country or territory within the commonwealth outside the United Kingdom, and in section 82 of the Stamp Act 1891, as amended by this section, references to a commonwealth government, municipal body, corporation or company are references to the government of, or a municipal body, corporation or company established under the law of, any such country or territory.

63 Securities for annual and other payments

In determining whether an instrument is—

- (a) the only, principal or primary security for any annuity or for any sum or sums of money within the meaning of paragraph (1) of the heading " Bond, Covenant or Instrument of any kind whatsoever " in Schedule 1 to the Stamp Act 1891; or
- (b) the only, principal or primary security for the payment or repayment of money within the meaning of paragraph (1) of the heading " Mortgage, Bond, Debenture, Covenant and Warrant of Attorney " in that Schedule,

no account shall be taken of any other instrument which is a security for the same annuity, sum or sums, or for the same payment or repayment, as the case may be, or for any part thereof, unless that other instrument is chargeable with stamp duty under either of the said paragraphs and is duly stamped.

64 Gifts in consideration of marriage

For the purposes of section 74(5) of the Finance (1909-10) Act 1910 (stamp duty on conveyances and transfers not for valuable consideration) marriage shall not be deemed to be the consideration for a conveyance or transfer except in so far as the conveyance or transfer is a disposition such as, in the case of a person dying after the passing of this Act, would be treated for estate duty purposes as a gift made in consideration of marriage.

65 Miscellaneous exemptions

- (1) Any instrument which is exempt from duty under the heading set out in section 59(1) of this Act by virtue of exemption 3 in that heading or would be so exempt if it were

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otherwise chargeable under that heading shall be exempt from stamp duty under or by reference to the heading " Conveyance or Transfer on sale " in Schedule 1 to the Stamp Act 1891.

- (2) In Part VII of the Finance Act 1946, and in section 30 of the Finance Act 1962, the references to a unit trust scheme shall be deemed not to include references—
- (a) to any common investment scheme under section 22 of the Charities Act 1960; or
 - (b) to any unit trust scheme the units in which are, under the terms of the trust instrument relating to the scheme, required to be held only by bodies of persons established for charitable purposes only or trustees of trusts so established.
- (3) No stamp duty shall be chargeable in respect of any form of application for legal aid under the Legal Aid and Advice Acts 1949 and 1960 or the Legal Aid (Scotland) Acts 1949 and 1960, or in respect of any form relating to the offer and acceptance of a certificate pursuant to an application for legal aid under those Acts.

66 Composition for stamp duty on local authorities' securities

- (1) The Commissioners may enter into an agreement with any local authority for the composition, in accordance with the following provisions of this section, of the stamp duty chargeable under the heading " Marketable Security" or " Mortgage, Bond, Debenture, Covenant and Warrant of Attorney " in Schedule 1 to the Stamp Act 1891 on such securities issued by the local authority as may be specified in the agreement.
- (2) Any such agreement shall require the local authority to deliver to the Commissioners periodical accounts giving such particulars of the instruments to which the agreement relates as may be specified in the agreement, and may contain such other terms and conditions as the Commissioners think proper.
- (3) Where an agreement has been entered into under this section between the Commissioners and any local authority, any instrument to which the agreement relates and which contains a statement that the appropriate stamp duty has been or will be paid to the Commissioners in accordance with the provisions of this section shall not be chargeable with any stamp duty, but the aggregate of the sums which, but for the provisions of this subsection, would have been chargeable by way of stamp duty on any such instruments issued during the period to which any account delivered under the agreement relates shall, by way of composition, be paid by the local authority to the Commissioners on the delivery of the account.
- (4) If a local authority makes default in delivering any account required by any such agreement or in paying the duty payable on the delivery of any such account, the local authority shall be liable to a fine not exceeding £50 for every day during which the default continues and shall also be liable to pay to Her Majesty, in addition to the duty, interest thereon at the rate of five per cent. per annum from the date when the default begins.
- (5) For the purposes of the headings mentioned in subsection (1) of this section, any instrument in respect of which stamp duty is paid by way of composition under this section shall be deemed to be duly stamped; and for the purposes of section 8(3) of the Finance Act 1899 the stamp duty payable in respect of any such instrument shall be deemed to have been paid.

- (6) In this section " local authority " means a local authority within the meaning of the Local Government Act 1933 (not being a parish council), a local authority within the meaning of the London Government Act 1939, the Common Council of the City of London and, in Scotland, the council of a county, the town council of a burgh and a district council.

67 Prohibition of circulation of blank transfers

- (1) Where a transfer in blank relating to registered stock of any description has been delivered, pursuant to a sale of that stock, to or to the order of the purchaser or any person acting on his behalf, any person who in Great Britain parts with possession of that transfer, or who removes it or causes or permits it to be removed from Great Britain, before it has been duly completed shall be liable to a fine not exceeding the aggregate of £50 and an amount equal to twice the stamp duty chargeable in respect of that transfer.
- (2) For the purposes of this section "transfer in blank" means a transfer in which the name of the transferee has not been inserted, and a transfer shall be treated as duly completed if, and only if, the name of the transferee is inserted therein, being the name of—
- (a) the purchaser of the stock under the sale ;
 - (b) a person entitled to a charge upon the stock for money lent to that purchaser ;
 - (c) a nominee holding as a bare trustee for that purchaser or for any such person as is mentioned in paragraph (b) above; or
 - (d) a person acting as the agent of that purchaser for the purposes of the sale.
- (3) The foregoing provisions of this section shall apply in relation to a transfer delivered by way of or pursuant to a voluntary disposition inter vivos, being a transfer to which section 74 of the Finance (1909-10) Act 1910 applies, as they apply in relation to a transfer delivered pursuant to a sale, and as if for any reference to the purchaser there were substituted a reference to the person (in this section referred to as the donee) to whom the disposition is made.
- (4) In this section references to stock shall be construed in accordance with subsection (4) of section 59 of this Act, and " transfer " includes any instrument used for transferring stock ; but nothing in this section applies—
- (a) to any instrument which is chargeable with duty under paragraph (3) of the heading " Bearer Instrument " set out in subsection (1) of that section and is duly stamped; or
 - (b) to any instrument which is exempt from duty by virtue of exemption 3 in that heading, or would be so exempt if it were otherwise chargeable under that heading.
- (5) References in this section to the purchaser or donee of any stock include references to any person to whom the rights of the purchaser or donee are transmitted by operation of law; and in relation to a transfer chargeable with duty in accordance with section 58(4) or (5) of the Stamp Act 1891 (transfers to sub-purchasers) references in this section to the purchaser and a sale shall be construed as references to the sub-purchaser and a sub-sale.
- (6) This section shall come into force on such date as the Treasury may by order made by statutory instrument direct.