



Finance Act 1976

1976 CHAPTER 40

PART V

MISCELLANEOUS AND SUPPLEMENTARY

126 Stamp duty: exemption for transfers of loan capital

- (1) Subject to subsections (2) and (3) below, stamp duty shall not be chargeable on any transfer of loan capital.
- (2) Subsection (1) above does not apply to loan capital which, at the time when it is transferred, carries a right (exercisable then or later) of conversion into shares or other securities or to the acquisition of shares or other securities, including loan capital of the same description.
- (3) Subsection (1) above does not apply to loan capital which, at the time when it is transferred or at any earlier time, carries or has carried—
 - (a) a right to interest the amount of which—
 - (i) exceeds a reasonable commercial return on the nominal amount of the capital; or
 - (ii) falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property; or
 - (b) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of The Stock Exchange.
- (4) Section 115 of the Stamp Act 1891, section 37 of the Finance Act 1939, section 65 of the Finance Act 1971 and Article 11 of the Finance (Northern Ireland) Order 1972 (composition for stamp duty on transfers of loan capital etc.) shall cease to have effect.
- (5) In this section " loan capital" means—
 - (a) any debenture stock, corporation stock or funded debt (by whatever name known) issued by any body corporate or other body of persons formed or

Status: This is the original version (as it was originally enacted).

established in the United Kingdom or any capital raised by any such body, being capital which is borrowed, or has the character of borrowed money, whether it is in the form of stock or any other form; and

- (b) stock or marketable securities issued by the government of any country or territory within the commonwealth outside the United Kingdom.

(6) This section shall be construed as one with the said Act of 1891.

(7) This section shall be deemed to have come into force on 17th May 1976.

127 Stamp duty: stock exchange transfers

(1) Stamp duty shall not be chargeable on any transfer to a stock exchange nominee which is executed for the purposes of a stock exchange transaction.

(2) A transfer otherwise than on sale from a stock exchange nominee to a jobber or his nominee shall be regarded for the purposes of stamp duty as a transfer on sale for a consideration equal to the value of the stock or marketable securities thereby transferred.

(3) For the purposes of section 42 of the Finance Act 1920 (jobbers' transfers) a transfer by a jobber or his nominee to a stock exchange nominee shall be regarded as a transfer to a bona fide purchaser.

(4) In section 33(1) of the Finance Act 1970 (composition by Stock Exchange in respect of transfer duty) after the words " the heading " Conveyance or Transfer on Sale " " there shall be inserted the words " or " Conveyance or Transfer of any kind not hereinbefore described " " and the words " being instruments executed for the purposes of stock exchange transactions as defined in section 4(1) of the Stock Transfer Act 1963 " shall be omitted.

(5) This section shall be construed as one with the Stamp Act 1891 and in this section—

" jobber " means a member of The Stock Exchange who is recognised by the Council thereof as carrying on the business of a jobber and carries on that business in the United Kingdom;

" stock exchange nominee " means any person designated for the purposes of this section as a nominee of The Stock Exchange by an order made by the Secretary of State;

" stock exchange transaction " has the meaning given in section 4 of the Stock Transfer Act 1963.

(6) The power to make an order under subsection (5) above shall be exercisable by statutory instrument and includes power to vary or revoke a previous order.

(7) Section 33 of the Finance Act 1970 shall extend to Northern Ireland; and in the application of that section and this section to Northern Ireland for any reference to the Stock Transfer Act 1963 there shall be substituted a reference to the Stock Transfer Act (Northern Ireland) 1963.

128 Stamp duty: chargeable transactions in respect of capital companies

In paragraph 10 of Schedule 19 to the Finance Act 1973 and paragraph 10 of Schedule 2 to the Finance (Miscellaneous Provisions) (Northern Ireland) Order 1973

(exemption from duty in cases of mergers etc.) after sub-paragraph (5) there shall be inserted—

“(6) This paragraph applies also where the acquired company is a corporation or body of persons which is not a capital company for the purposes of this Schedule but which is treated as such in another member State; and paragraph 3(1) above shall apply for the interpretation of this sub-paragraph as it applies for the interpretation of paragraph 1 above.”

129 Development gains

(1) Section 39 of the Finance Act 1974 (exemption or relief for small disposals) shall have effect, and be deemed always to have had effect, with the following amendments.

(2) For subsections (1) to (3) there shall be substituted—

“(1) Where the amount of chargeable gains that would, apart from this subsection, be a person's development gains for any chargeable period does not exceed—

(a) in the case of an individual or the personal representatives of a deceased person as such, £10,000; or

(b) in the case of a company or the trustees of a settlement, £1,000,

no part of those chargeable gains shall be development gains; and where that amount exceeds the limit applicable to that person under paragraph (a) or (b) above only so much of that amount as exceeds the limit shall be development gains.

(2) For the purposes of this section a man and his wife living with him shall be treated as one individual.”

(3) In subsection (4)(c) for the words " subsections (1) and (2) above " there shall be substituted the words " subsection (1) above. "

(4) Subsection (5) shall be omitted.

130 Petroleum revenue tax

(1) Schedule 2 to the Oil Taxation Act 1975 (management and collection) shall be amended as follows.

(2) In paragraph 12(1), after paragraph (c) there shall be inserted “or

(d) that for any chargeable period they ought to have made an assessment to tax instead of a determination of loss or a determination of loss instead of an assessment to tax;" and for the words " adjustments in assessments or determinations " there shall be substituted the words " assessments or determinations or amendments of assessments or determinations”.

(3) After paragraph 12(2) there shall be inserted—

“(3) Where under this paragraph the Board make an assessment or determination or amend an assessment or determination they shall give notice thereof to the participator concerned; and sub-paragraphs (4), (5) and (6) of paragraph 10 above shall apply in relation to any such assessment, determination or amendment as they apply in relation to an assessment or determination under that paragraph.”

Status: This is the original version (as it was originally enacted).

- (4) In paragraph 14(1) after the words " an assessment or determination " there shall be inserted the words " or an amendment of an assessment or determination " and at the end there shall be inserted the words " or of the notice of the amendment ".
- (5) In paragraph 14(9), in paragraph (a), for the words " or determination " there shall be substituted the words " , determination or amendment " and for the words from " on the adjustments " onwards there shall be substituted the words " on how the assessment, determination, amendment or decision should be varied or on what assessment or determination should be substituted in relation to the chargeable period in question, the same consequences shall ensue as if the Commissioners had determined the appeal to that effect. "
- (6) For paragraph 14(10) there shall be substituted—
- “(10) If, on the appeal, it appears to a majority of the Commissioners present at the hearing that the assessment, determination or amendment is wrong—
- (a) because no, or a smaller, assessable profit or a, or a larger, allowable loss has accrued for the chargeable period in question ; or
- (b) because a, or a larger, assessable profit or no, or a smaller, allowable loss has accrued for that period,
- the Commissioners shall vary the assessment, determination or amendment in such manner, or substitute such assessment or determination, as may be required; and it shall be for the participator to satisfy the Commissioners as to any matter within paragraph (a) above.”
- (7) In paragraph 14(11) for the words "the determination of the Special Commissioners in any proceedings " there shall be substituted the words " the determination by the Special Commissioners of any appeal ".

131 Inter-American Development Bank

- (1) The following provisions of this section shall have effect on the United Kingdom's becoming a member of the Inter-American Development Bank (" the Bank ").
- (2) A person not resident in the United Kingdom shall not be liable to income tax in respect of income from any security issued by the Bank if he would not be liable but for the fact that—
- (a) the security or income is issued, made payable or paid in the United Kingdom or in sterling; or
- (b) the Bank maintains an office or other place of business in the United Kingdom; and such a security shall be taken for the purposes of capital transfer tax and capital gains tax to be situated outside the United Kingdom.
- (3) No stamp duty shall be chargeable under the heading " Bearer Instrument" in Schedule 1 to the Stamp Act 1891 on the issue of any instrument by the Bank or on the transfer of the stock constituted by, or transferable by means of, any instrument issued by the Bank.

132 Citation, interpretation, construction and repeals

- (1) This Act may be cited as the Finance Act 1976.
- (2) In this Act " the Taxes Act" means the Income and Corporation Taxes Act 1970.

- (3) In this Act—
- (a) Part I (except sections 11 to 14) shall be construed as one with the Customs and Excise Act 1952 ;
 - (b) Part II shall be construed as one with Part I of the Finance Act 1972;
 - (c) Part III, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with Part III of the Finance Act 1965 ;
 - (d) Part IV shall be construed as one with Part III of the Finance Act 1975.
- (4) Except so far as the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended, and as including a reference to that enactment as applied, by or under any other enactment, including this Act.
- (5) The enactments mentioned in Schedule 15 to this Act (which include spent enactments) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.