



Finance Act 1986

1986 CHAPTER 41

PART III

STAMP DUTY

Clearance services

70 Clearance services

- (1) Subject to subsection (9) [^{F1}and section 97A] below, subsection (2) or (3) below (as the case may be) applies where an instrument transfers relevant securities of a company incorporated in the United Kingdom to a person who at the time of the transfer falls within subsection (6), (7) or (8) below.
- (2) If stamp duty is chargeable on the instrument under the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891 ^{M1}, the rate at which the duty is charged under that heading shall be the rate of £1.50 for every £100 or part of £100 of the amount or value of the consideration for the sale to which the instrument gives effect.
- (3) If stamp duty is chargeable on the instrument under the heading “Conveyance or Transfer of any kind not hereinbefore described” in Schedule 1 to the Stamp Act 1891, the rate at which the duty is charged under that heading shall (subject to [^{F2}subsection] (5) below) be the rate of £1.50 for every £100 or part of £100 of the value of the securities at the date the instrument is executed.
- (4) ^{F3}
- (5) In a case where —
 - (a) securities are issued, or securities sold are transferred, and (in either case) they are to be paid for in instalments,
 - (b) the person to whom they are issued or transferred holds them and transfers them to another person when the last instalment is paid,

Status: Point in time view as at 19/03/1997. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1986, Section 70. (See end of Document for details)

- (c) the transfer to the other person is effected by an instrument in the case of which subsection (3) above applies,
- (d) before the execution of the instrument mentioned in paragraph (c) above an instrument is received by a person falling (at the time of the receipt) within subsection (6), (7) or (8) below,
- (e) the instrument so received evidences all the rights which (by virtue of the terms under which the securities are issued or sold as mentioned in paragraph (a) above) subsist in respect of them at the time of the receipt, and
- (f) the instrument mentioned in paragraph (c) above contains a statement that paragraphs (a), (b) and (e) above are fulfilled,

subsection (3) above shall have effect as if the reference to the value there mentioned were to an amount (if any) equal to the total of the instalments payable, less those paid before the transfer to the other person is effected.

- (6) A person falls within this subsection if his business is exclusively that of holding relevant securities —
 - (a) as nominee or agent for a person whose business is or includes the provision of clearance services for the purchase and sale of relevant securities, and
 - (b) for the purposes of such part of the business mentioned in paragraph (a) above as consists of the provision of such clearance services (in a case where the business does not consist exclusively of that).
- (7) A person falls within this subsection if —
 - (a) he is specified for the purposes of this subsection by the Treasury by order made by statutory instrument, and
 - (b) his business is or includes the provision of clearance services for the purchase and sale of relevant securities.
- (8) A person falls within this subsection if —
 - (a) he is specified for the purposes of this subsection by the Treasury by order made by statutory instrument,
 - (b) he does not fall within subsection (6) above but his business includes holding relevant securities as nominee or agent for a person who falls within subsection (7)(b) above at the time of the transfer, and
 - (c) he holds relevant securities as nominee or agent for such a person, for the purposes of such part of that person's business as consists of the provision of clearance services for the purchase and sale of relevant securities (in a case where that business does not consist exclusively of that).
- (9) Where an instrument transfers relevant securities of a company incorporated in the United Kingdom —
 - (a) to a company which at the time of the transfer falls within subsection (6) above and is resident in the United Kingdom, and
 - (b) from a company which at that time falls within that subsection and is so resident,

subsections (2) to (5) above shall not apply and the maximum stamp duty chargeable on the instrument shall be 50p.
- (10) This section applies to any instrument executed on or after 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.

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Textual Amendments

- F1** Words in s. 70(1) inserted (1.7.1996) by [Finance Act 1996 \(c. 8\), s. 196\(1\)\(6\)](#)
- F2** Word in s. 70(1) substituted (with application as mentioned in s. 99(5) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 99\(4\)](#)
- F3** S. 70(4) repealed (with application as mentioned in s. 99(5) of the amending Act) by [Finance Act 1997 \(c. 16\), ss. 99\(3\), 113, Sch. 18 Pt. VII](#) Note 2
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Marginal Citations

- M1** 1891 c. 39.

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