



Companies Act 1985

1985 CHAPTER 6

PART V

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER VII

REDEEMABLE SHARES ; PURCHASE BY A COMPANY OF ITS OWN SHARES

Redemption and purchase generally

161 Stamp duty on redemption of shares

- (1) For the purposes of section 47 of the Finance Act 1973, the issue of shares by a company in place of shares redeemed under section 160 constitutes a chargeable transaction if, and only if, the actual value of the shares so issued exceeds the value of the shares redeemed at the date of their redemption.
- (2) Where the issue of the shares does constitute a chargeable transaction for those purposes, the amount on which stamp duty on the relevant document relating to that transaction is chargeable under section 47(5) of the Finance Act 1973 is the difference between—
 - (a) the amount on which that duty would be so chargeable if the shares had not been issued in place of shares redeemed under section 160 ; and
 - (b) the value of the shares redeemed at the date of their redemption.
- (3) Subject to the following subsection, for the purposes of subsections (1) and (2) shares issued by a company—
 - (a) up to the nominal amount of any shares which the company has redeemed under section 160 ; or
 - (b) in pursuance of section 160(5) before the redemption of shares which the company is about to redeem under that section,

Status: This is the original version (as it was originally enacted).

are to be regarded as issued in place of the shares redeemed or (as the case may be) about to be redeemed.

- (4) Shares issued in pursuance of section 160(5) are not to be regarded for purposes of subsections (1) and (2) of this section as issued in place of the shares about to be redeemed, unless those shares are redeemed within one month after the issue of the new shares.