



# Finance Act 1986

## 1986 CHAPTER 41

### PART III

#### STAMP DUTY

##### *Depository receipts*

#### **67 Depository receipts [<sup>F1</sup>1.5% charge]**

- (1) Subject to subsection (9) below, subsection (2) or (3) below (as the case may be) applies where an instrument <sup>F2</sup>... 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.

[<sup>F3</sup>(1A) For the purposes of subsection (1) “instrument” does not include—

- (a) a bearer instrument (see subsection (9A));
- (b) an exempt capital-raising instrument (see section 72ZA);
- (c) an exempt listing instrument (see section 72ZB).]

[<sup>F4</sup>(2) If stamp duty is chargeable on the instrument under Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale), the rate at which that duty is chargeable is [<sup>F5</sup>1.5% of—

- (a) the amount or value of the consideration for the sale to which the instrument gives effect, or
- (b) where subsection (2A) applies—
  - (i) the amount or value of the consideration for the sale to which the instrument gives effect, or
  - (ii) if higher, the value of the securities at the date the instrument is executed.]

[<sup>F6</sup>(2A) This subsection applies where the instrument transferring the securities is executed pursuant to—

- (a) the exercise of an option to buy or to sell the securities, and

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- (b) either—
- (i) a term of the option which provides for the securities to be transferred to the person falling within subsection (6), (7) or (8), or
  - (ii) a direction, given by or on behalf of the person entitled or bound to acquire the securities pursuant to the exercise of the option, for the securities to be so transferred.]
- (3) [<sup>F7</sup> [<sup>F8</sup> If stamp duty is not chargeable on the instrument under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale)]—
- (a) stamp duty is chargeable on the instrument under this subsection, and
  - (b) subject to subsection (5), the rate at which that duty is chargeable is 1.5% of the value of the securities at the date the instrument is executed.]
- (4) <sup>F9</sup> .....
- (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,
  - (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 issuing depositary receipts for relevant securities, and
  - (b) for the purposes of such part of the business mentioned in paragraph (a) above as consists of issuing such depositary receipts (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 issuing depositary receipts for 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,

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- (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 issuing depositary receipts for relevant securities (in a case where that business does not consist exclusively of that).

[<sup>F10</sup>(8A) Where an instrument transfers shares or stock or marketable securities admitted to trading on a recognised growth market but not listed on any market, subsections (2) to (5) do not apply and stamp duty is not chargeable on the instrument.

(8B) In subsection (8A) “listed” and “recognised growth market” are to be construed in accordance with section 99A below.]

(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 <sup>F11</sup> . . . , and

(b) from a company which at that time falls within that subsection <sup>F11</sup> . . . ,  
subsections (2) to (5) above shall not apply and [<sup>F12</sup>stamp duty is not chargeable on the instrument].

[<sup>F13</sup>(9ZA) Where an instrument transfers shares in a company which are held by the company (whether in accordance with section 724 of the Companies Act 2006 (treasury shares) or otherwise), subsections (2) to (5) do not apply and stamp duty is not chargeable on the instrument.]

[<sup>F14</sup>(9A) In this section “bearer instrument” has the meaning given in paragraph 3 of Schedule 15 to the Finance Act 1999.]

(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.

#### Textual Amendments

**F1** Words in s. 67 heading inserted (with effect in accordance with Sch. 11 para. 25 of the amending Act) by Finance Act 2024 (c. 3), Sch. 11 para. 2(a)

**F2** Words in s. 67(1) omitted (with effect in accordance with Sch. 11 para. 25 of the amending Act) by virtue of Finance Act 2024 (c. 3), Sch. 11 para. 2(b)

**F3** S. 67(1A) inserted (with effect in accordance with Sch. 11 para. 25 of the amending Act) by Finance Act 2024 (c. 3), Sch. 11 para. 2(c)

**F4** S. 67(2)(3) substituted (with effect as mentioned in s. 112(6) of the amending Act) by Finance Act 1999 (c. 16) ss. 112(4), Sch. 14 para. 12(2) (with s. 122)

**F5** Words in s. 67(2) substituted (with effect in accordance with s. 138(6) of the amending Act) by Finance Act 2016 (c. 24), s. 138(2)(a)

**F6** S. 67(2A) inserted (with effect in accordance with s. 138(6) of the amending Act) by Finance Act 2016 (c. 24), s. 138(2)(b)

**F7** Words in s. 67(3) substituted (with effect in accordance with s. 99(2) of the amending Act) by Finance Act 2008 (c. 9), Sch. 32 para. 14(3) (with Sch. 32 para. 23)

**F8** Words in s. 67(3) substituted (with effect in accordance with s. 138(6) of the amending Act) by Finance Act 2016 (c. 24), s. 138(2)(c)

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- F9** S. 67(4) repealed (with application as mentioned in s. 99(5) of the amending Act) by [Finance Act 1997 \(c. 16\)](#) ss. 99(1), 113, Sch. 18 Pt. VII Note 2
- F10** S. 67(8A)(8B) inserted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **Sch. 24 para. 9**
- F11** Words in s. 67(9) repealed (with effect as mentioned in s. 134(5) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), ss. 134(3), 156, **Sch. 40 Pt. III** Note 2
- F12** Words in s. 67(9) substituted (with effect in accordance with s. 99(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 32 para. 6**
- F13** S. 67(9ZA) inserted (with effect in accordance with Sch. 11 para. 25 of the amending Act) by [Finance Act 2024 \(c. 3\)](#), **Sch. 11 para. 2(d)**
- F14** S. 67(9A) inserted (with effect in accordance with s. 99(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 32 para. 14(4)** (with Sch. 32 para. 23)

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