



Finance Act 1986

1986 CHAPTER 41

PART IV

STAMP DUTY RESERVE TAX

The principal charge

87 The principal charge

- (1) This section applies where a person (A) agrees with another person (B) to transfer chargeable securities (whether or not to B) for consideration in money or money's worth.
- (2) There shall be a charge to stamp duty reserve tax under this section on ^{F1} . . . the relevant day, ^{F2} . . .
- (3) In subsection (2) above “the relevant day” means —
 - (a) in a case where the agreement is conditional, the day on which the condition is satisfied, and
 - (b) in any other case, the day on which the agreement is made.
- (4) ^{F3}
- (5) ^{F4}
- (6) Tax under this section shall be charged at the rate of [^{F5}0.5 per cent.] or part of £100 of the amount or value of the consideration mentioned in subsection (1) above.
- (7) For the purposes of subsection (6) above the value of any consideration not consisting of money shall be taken to be the price it might reasonably be expected to fetch on a sale in the open market at the time the agreement mentioned in subsection (1) above is made.

[^{F6} [^{F7}(7A) Where—

- (a) there would be no charge to tax under this section, or

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(b) there would, under section 92 below, be a repayment or cancellation of tax, in relation to some of the chargeable securities to which the agreement between A and B relates if separate agreements had been made between them for the transfer of those securities and for the transfer of the remainder, this section and sections 88(5) and 92 below shall have effect as if such separate agreements had been made.]

(7B)^{F8}

(8)^{F9}

(9) This section applies where the agreement to transfer is made 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.

(10) This section has effect subject to sections 88 to 90 below.

Textual Amendments

F1 Words in s. 87(2) repealed (with effect as mentioned in s. 188(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), ss. 188(1), 205, [Sch. 41 Pt. 7](#)

F2 Words in s. 87(2) repealed (with effect in accordance with s. 188(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#) s. 188(1), s. 205, {[Sch. 41 Pt. 7](#)}

F3 S. 87(4) repealed (with effect as mentioned in s. 192(6) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), ss. 192(1), 205, [Sch. 41 Pt. 7](#)

F4 S. 87(5) repealed (with effect as mentioned in s. 192(6) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), ss. 192(1), 205, [Sch. 41 Pt. 7](#)

F5 Words in s. 87(6) substituted (with effect as mentioned in s. 194(7) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 194\(1\)](#)

F6 S. 87(7A)(7B) inserted by [Finance Act 1987 \(c. 16\)](#), ss. 110, 132, [Sch. 19 Pt. VII](#)

F7 S. 87(7A) substituted (with effect in accordance with s. 106 of the amending Act) by [Finance Act 1997 \(c. 16\)](#) s. 106(9), {s. 106(2)}

F8 S. 87(7B) repealed (with effect as mentioned in s. 106(9) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), ss. 106(3), 113, [Sch. 18 Pt. VII](#)

F9 S. 87(8) repealed (with effect as mentioned in s. 192(6) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), ss. 192(1), 205, [Sch. 41 Pt. 7](#)

Modifications etc. (not altering text)

C1 S. 87 excluded (with application as mentioned in s. 100(6) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), [s. 100\(1\)-\(3\)](#)

S. 87 excluded (28.4.1997) by [S.I. 1997/1156](#), [regs. 4\(2\)\(b\), 8, 10](#)

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