



Finance Act 1986

1986 CHAPTER 41

PART IV

STAMP DUTY RESERVE TAX

The principal charge

90 Section 87: other exceptions

- (1) Section 87 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme [^{F1}to or from the managers] under the scheme.
- [^{F2}(1A) Section 87 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme if an instrument executed at the same time as the agreement and giving effect to the agreement would be exempt from stamp duty (if stamp duty were otherwise chargeable) by virtue of—
- (a) section 42 of the Finance Act 1930 or section 11 of the Finance Act (Northern Ireland) 1954 (transfers between associated companies), or
 - (b) regulations under section 87(2) of the Finance Act 1985 (power to exempt instruments from stamp duty of fixed amount).]

[^{F3}(1B) Section 87 above shall not apply as regards an agreement to transfer trust property to the unit holder on the surrender to the managers of a unit under a unit trust scheme.

The reference here to the surrender of a unit has the same meaning as in Part II of Schedule 19 to the Finance Act 1999.]

(2) ^{F4}

(3) Section 87 above shall not apply as regards an agreement to transfer securities constituted by or transferable by means of —

[^{F5}(a) a non-UK bearer instrument;]

(b) ^{F6}

Status: Point in time view as at 01/12/2003. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1986, Section 90. (See end of Document for details)

- [^{F7}(3A) Section 87 above shall not apply as regards an agreement to transfer chargeable securities constituted by or transferable by means of [^{F8}a UK bearer instrument] unless subsection (3B), (3C) or (3E) below applies to the instrument.
- (3B) This subsection applies to any instrument which falls within [^{F9}the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc.)].
- (3C) This subsection applies to an instrument if—
- (a) the instrument was issued by a body corporate incorporated in the United Kingdom;
 - [^{F10}(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument by virtue only of the exemption conferred by paragraph 17 of that Schedule (non-sterling bearer instruments); and]
 - (c) the instrument is not exempt.
- (3D) An instrument is exempt for the purposes of subsection (3C) above if—
- (a) the chargeable securities in question are, or a depositary receipt for them is, listed on a recognised stock exchange; and
 - (b) the agreement to transfer those securities is not made in contemplation of, or as part of an arrangement for, a takeover of the body corporate which issued the instrument.
- (3E) This subsection applies to an instrument if—
- (a) the instrument was issued by a body corporate incorporated in the United Kingdom;
 - [^{F11}(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument—
 - (i) by virtue only of the exemption conferred by section 79(2) above (bearer instruments relating to loan capital), or
 - (ii) by virtue only of that provision and paragraph 17 of that Schedule (non-sterling bearer instruments);]
 - (c) by virtue of section 79(5) (convertible loan capital) or 79(6) (loan capital carrying special rights) above, stamp duty would be chargeable on an instrument transferring the loan capital to which the instrument relates; and
 - (d) the instrument is not exempt.
- (3F) An instrument is exempt for the purposes of subsection (3E) above if—
- (a) the chargeable securities in question are, or a depositary receipt for them is, listed on a recognised stock exchange;
 - (b) the agreement to transfer those securities is not made in contemplation of, or as part of an arrangement for, a takeover of the body corporate which issued the instrument; and
 - (c) those securities do not carry any right of the kind described in section 79(5) above (right of conversion into, or acquisition of, shares or other securities) by the exercise of which [^{F12}chargeable securities which are not listed] on a recognised stock exchange may be obtained.]
- (4) Section 87 above shall not apply as regards an agreement which forms part of an arrangement falling within section 93(1) or 96(1) below.

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[^{F13}(5) Section 87 above shall not apply as regards an agreement to transfer securities which the Board are satisfied are held, when the agreement is made, by a person within subsection (6) below.

(6) A person is within this subsection if his business is exclusively that of holding shares, stock or other marketable 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 shares, stock or other marketable securities, and
- (b) for the purpose 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); and in this subsection, 'marketable securities' shall be construed in accordance with section 122(1) of the Stamp Act 1891 ^{M1}.]

[^{F14}(7) Section 87 above shall not apply as regards an agreement to transfer securities to —

- (a) a body of persons established for charitable purposes only, or
- (b) the trustees of a trust so established, or
- (c) the Trustees of the National Heritage Memorial Fund, or
- (d) the Historic Buildings and Monuments Commission for England.][^{F15}or
- (e) the National Endowment for Science, Technology and the Arts.]

[^{F16}(7A) Section 87 above does not apply as regards an agreement to transfer any shares in a company which are held by the company (whether in accordance with section 162A of the Companies Act 1985 (treasury shares) or otherwise).]

[^{F17}(8) For the purposes of subsections (3D) and (3F) above—

- (a) references to a depositary receipt for chargeable securities shall be construed in accordance with section 94(1) below;
- (b) “recognised stock exchange” has same meaning as it has in the Tax Acts by virtue of section 841 of the Income and Corporation Taxes Act 1988 ^{M2};
- (c) there is a takeover of a body corporate if a person, on his own or together with connected persons, loses or acquires control of it.

(9) For the purposes of subsection (8) above—

- (a) any question whether a person is connected with another shall be determined in accordance with section 286 of the ^{M3}Taxation of Chargeable Gains Act 1992;
- (b) “control” shall be construed in accordance with section 416 of the Income and Corporation Taxes Act 1988.]

Textual Amendments

- F1** Words in s. 90(1) substituted (6.2.2000) by Finance Act 1999 (c. 16), s. 122(4), **Sch. 19 para. 11(2)**
- F2** S. 90(1A) inserted (6.2.2000) by Finance Act 1999 (c. 16), s. 122(4), **Sch. 19 para. 11(3)**
- F3** S. 90(1B) inserted (6.2.2000) by Finance Act 1999 (c. 16), s. 122(4), **Sch. 19 para. 11(4)**
- F4** S. 90(2) repealed (with effect as mentioned in Sch. 20 Pt. V(5) Note 1 of the amending Act) by Finance Act 1999 (c. 16), s. 139, **Sch. 20 Pt. V(5)**
- F5** S. 90(3)(a) substituted (with application as mentioned in s. 113(4) of the amending Act) by Finance Act 1999 (c. 16), s. 113(3), **Sch. 16 para. 6(2)**
- F6** S. 90(3)(b) repealed (with application as mentioned in s. 105(4) of the amending Act) by Finance Act 1997 (c. 16), ss. 105(1), 113, **Sch. 18 Pt. VII**

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Changes to legislation: *There are currently no known outstanding effects for the Finance Act 1986, Section 90. (See end of Document for details)*

- F7** S. 90(3A)-(3F) inserted (with application as mentioned in s. 105(4) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 105\(2\)](#)
- F8** Words in s. 90(3A) substituted (with application as mentioned in s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 113\(3\), Sch. 16 para. 6\(3\)](#)
- F9** Words in s. 90(3B) substituted (with application as mentioned in s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 113\(3\), Sch. 16 para. 6\(4\)](#)
- F10** S. 90(3C)(b) substituted (with application as mentioned in s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 113\(3\), Sch. 16 para. 6\(5\)](#)
- F11** S. 90(3E)(b) substituted (with application as mentioned in s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 113\(3\), Sch. 16 para. 6\(6\)](#)
- F12** Words in s. 90(3F)(c) substituted (with application as mentioned in s. 120(4) of the amending Act) by [Finance Act 1999 \(c. 16\), ss. 120\(2\)](#) (with s. 123(4))
- F13** S. 90(5)(6) substituted for s. 90(5) (retrospectively) by [Finance Act 1987 \(c. 16\), s. 56, Sch. 7 para. 5](#)
- F14** S. 90(5)(6) added (retrospectively) by [Finance Act 1987 \(c. 16\), s. 56, Sch. 7 para. 6](#)
- F15** S. 90(7)(e) and preceding word inserted (2.7.1998) by [National Lottery Act 1998 \(c. 22\), ss. 24\(5\), 27\(4\)\(b\)](#)
- F16** S. 90(7A) inserted (with effect in accordance with s. 195(12) of the amending Act and with effect 1.12.2003) by [Finance Act 2003 \(c. 14\), Sch. 40 para. 3; S.I. 2003/3077, art. 2](#)
- F17** S. 90(8)(9) added (with application as mentioned in s. 105(4) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 105\(3\)](#)

Modifications etc. (not altering text)

- C1** S. 90 modified by [S.I. 1997/1156, reg. 4](#) (as substituted (6.2.2000) by [S.I. 1999/3261, reg. 5](#))
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Marginal Citations

- M1** 1891 c. 39.
- M2** 1988 c. 1.
- M3** 1992 c. 12.

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