



Finance Act 1986

1986 CHAPTER 41

PART IV

STAMP DUTY RESERVE TAX

General

99 Interpretation

- (1) This section applies for the purposes of this Part of this Act.
- (2) "The Board" means the Commissioners of Inland Revenue.
- (3) Subject to the following provisions of this section, "chargeable securities" means stocks, shares, loan capital and units under a unit trust scheme.
- (4) "Chargeable securities" does not include stocks, shares or loan capital which is (or are) issued or raised by a body corporate not incorporated in the United Kingdom unless the stocks, shares or loan capital is (or are) registered in a register kept in the United Kingdom by or on behalf of the body corporate.
- (5) "Chargeable securities" does not include stocks, shares or loan capital the transfer of which is exempt from all stamp duties.
- (6) A reference to stocks, shares or loan capital includes a reference to—
 - (a) an interest in, or in dividends or other rights arising out of, stocks, shares or loan capital the transfer of which is not exempt from all stamp duties;
 - (b) a right to an allotment of or to subscribe for, or an option to acquire, stocks, shares or loan capital the transfer of which is not exempt from all stamp duties, except that the reference does not include a reference to an interest in a depositary receipt for stocks or shares.
- (7) A depositary receipt for stocks or shares is an instrument acknowledging—
 - (a) that a person holds stocks or shares or evidence of the right to receive them, and

Status: This is the original version (as it was originally enacted).

- (b) that another person is entitled to rights, whether expressed as units or otherwise, in or in relation to stocks or shares of the same kind, including the right to receive such stocks or shares (or evidence of the right to receive them) from the person mentioned in paragraph (a) above,
- except that a depositary receipt for stocks or shares does not include an instrument acknowledging rights in or in relation to stocks or shares if they are issued or sold under terms providing for payment in instalments and for the issue of the instrument as evidence that an instalment has been paid.
- (8) The Treasury may by regulations provide that for subsection (7) above (as it has effect for the time being) there shall be substituted a subsection containing a different definition of a depositary receipt; and the power to make regulations under this subsection shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.
- (9) "Unit" and "unit trust scheme" have the same meanings as in Part VII of the Finance Act 1946.
- (10) In interpreting "chargeable securities" in sections 93, 94 and 96 above—
- (a) the words in subsection (4) above from "unless" to the end shall be ignored, and
- (b) the effect of paragraph 8 of Schedule 14 to the Companies Act 1985 (share registered overseas) and of section 118 of the Companies Act (Northern Ireland) 1960 and paragraph 7 of Schedule 14 to the Companies (Northern Ireland) Order 1986 (equivalent provision for Northern Ireland) shall be ignored for the purposes of subsection (5) above.