



Finance Act 1996

1996 CHAPTER 8

PART VI

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty reserve tax

[^{F1}190 Transfers between associated bodies.

- (1) In section 88 of the ^{M1}Finance Act 1986 (special cases) after subsection (1A) there shall be inserted—

“(1B) An instrument on which stamp duty is not chargeable by virtue of section 42 of the ^{M2}Finance Act 1930 or section 11 of the ^{M3}Finance Act (Northern Ireland) 1954 (transfer between associated bodies corporate) shall be disregarded in construing section 87(4) and (5) above in any case where—

- (a) the property mentioned in section 42(2)(a) of the Finance Act 1930 or, as the case may be, section 11(2)(a) of the Finance Act (Northern Ireland) 1954 consists of chargeable securities of any particular kind acquired in the period of two years ending with the day on which the instrument was executed; and
- (b) the body corporate from which the conveyance or transfer there mentioned is effected acquired the chargeable securities—
 - (i) in a transaction which was given effect by an instrument of transfer on which stamp duty was not chargeable by virtue of section 81 above;
 - (ii) in pursuance of an agreement to transfer securities as regards which section 87 above did not apply by virtue of section 89 below; or
 - (iii) in circumstances with regard to which the charge to stamp duty or stamp duty reserve tax was treated as not arising by virtue of regulations under section 116 or 117 of the ^{M4}Finance Act 1991.”

Status: Point in time view as at 29/04/1996.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Section 190. (See end of Document for details)

(2) At the end of that section there shall be added—

“(4) For the purposes of subsection (1B) above, if the securities mentioned in paragraph (a) of that subsection cannot (apart from this subsection) be identified, securities shall be taken as follows, that is to say, securities of the same kind acquired later in the period of two years there mentioned (and not taken under this subsection for the purposes of any earlier instrument) shall be taken before securities acquired earlier in that period.

(5) If, in a case where subsection (4) above applies, some, but not all, of the securities taken in accordance with that subsection were acquired as mentioned in paragraph (b) of subsection (1B) above by the body corporate mentioned in that paragraph, the stamp duty reserve tax chargeable under section 87 above by virtue of subsection (1B) above shall not exceed the tax that would have been so chargeable had the agreement to transfer the securities related only to such of the securities so taken as were so acquired.

(6) Where a person enters into an agreement for securities to be transferred to him or his nominee, the securities shall be treated for the purposes of subsections (1B)(a) and (4) above as acquired by that person at the time when he enters into the agreement, unless the agreement is conditional, in which case they shall be taken to be acquired by him when the condition is satisfied.”

(3) This section has effect where the instrument on which stamp duty is not chargeable by virtue of section 42 of the ^{M5}Finance Act 1930 or section 11 of the ^{M6}Finance Act (Northern Ireland) 1954 is executed on or after 4th January 1996 in pursuance of an agreement to transfer securities made on or after that date.]

Textual Amendments

F1 Ss. 186-196 repealed (with effect as mentioned in Sch. 41 Pt. VII, Note 4 of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. VII**

Marginal Citations

M1 1986 c. 41.
M2 1930 c. 28.
M3 1954 c. 23 (N.I.).
M4 1991 c. 31.
M5 1930 c. 28.
M6 1954 c. 23 (N.I.).

Status:

Point in time view as at 29/04/1996.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1996, Section 190.