



Finance Act 1997

1997 CHAPTER 16

PART VII

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty reserve tax

101 Direction to hold trust property on other trusts.

- (1) Where an agreement to transfer securities constituting property subject to the trusts of an authorised unit trust (“the absorbed trust”) is made by means of a direction by the holders of units in the absorbed trust (“the sellers”) to the trustees of another trust (“the continuing trust”) to hold the whole of the available property of the absorbed trust on the trusts of the continuing trust, section 87 of the ^{M1}Finance Act 1986 shall not apply as regards the agreement if the conditions set out in subsection (2) below are fulfilled.
- (2) Those conditions are that—
 - (a) the trustees of the absorbed trust are the same persons as the trustees of the continuing trust;
 - (b) the agreement forms part of an arrangement under which all the units in the absorbed trust are extinguished;
 - (c) the consideration for the direction by the sellers consists of or includes the issue of units (“the consideration units”) in the continuing trust to the sellers;
 - (d) the consideration units are issued to the sellers in proportion to their holdings of the extinguished units; and
 - (e) the consideration for the direction by the sellers does not include anything else, other than the assumption or discharge by the trustees of the continuing trust of liabilities of the trustees of the absorbed trust.
- (3) Where section 87 of the ^{M2}Finance Act 1986 does not apply as regards an agreement by virtue of subsection (1) above, that section shall not apply as regards an agreement, or a deemed agreement, to transfer a unit to the managers of the absorbed trust which

Changes to legislation: *Finance Act 1997, Section 101 is up to date with all changes known to be in force on or before 24 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

is made in order that the unit may be extinguished under the arrangement mentioned in subsection (2)(b) above.

(4) In this section—

“authorised unit trust” and “unit” have the same meanings as in section 100 above (and section 100(5) applies for the purposes of this section as it applies for the purposes of section 100);

“the whole of the available property of the absorbed trust” means the whole of the property subject to the trusts of the absorbed trust, other than any property which is retained for the purpose of discharging liabilities of the trustees of the absorbed trust.

(5) This section applies—

- (a) to an agreement which is not conditional, if the agreement is made on or after the day on which this Act is passed but before 1st July 1999; and
- (b) to a conditional agreement, if the condition is satisfied on or after the day on which this Act is passed but before 1st July 1999.

Marginal Citations

M1 1986 c. 41.

M2 1986 c. 41.

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Changes and effects yet to be applied to :

- s. 97-106 repealed (pt.prosp. for s.097-99) (pt.prosp.) by [1997 c. 16 s. 113Sch. 18 Pt. 7](#) Notes 1 6

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 51(A1) inserted by [2007 c. 15 Sch. 13 para. 126\(2\)](#)
- s. 51(A1) omitted by [2008 c. 9 Sch. 43 para. 6](#)