Finance Act 1999

1999 CHAPTER 16

PART VI

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty reserve tax

116 Non-sterling bearer instruments issued in connection with merger or takeover.

(1) In section 95 of the [M1]Finance Act 1986 (exceptions from charge on entry into depositary receipt system), for subsection (2) (bearer instruments) substitute—

"(2) There shall be no charge to tax under section 93 above in respect of a transfer, issue or appropriation of an inland bearer instrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891, except in the case of—

(a) an instrument within exemption 3 in that heading (renounceable letters of allotment etc. where rights are renounceable not later than six months after issue); or

(b) an instrument within the stamp duty exemption for non-sterling instruments which is issued in connection with a company merger or takeover (whether or not involving the company issuing the instrument).

In paragraph (b) "the stamp duty exemption for non-sterling instruments" means the exemption from stamp duty provided for by section 30 of the Finance Act 1967 or section 7 of the Finance Act (Northern Ireland) 1967.".

(2) In section 97 of the Finance Act 1986 (exceptions from charge on entry into clearance system), for subsection (3) (bearer instruments) substitute—

"(3) There shall be no charge to tax under section 96 above in respect of a transfer or issue of an inland bearer instrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891, except in the case of—

(a) an instrument within exemption 3 in that heading (renounceable letters of allotment etc. where rights are renounceable not later than six months after issue); or

(b) an instrument within the stamp duty exemption for non-sterling instruments which is issued in connection with a company merger or takeover (whether or not involving the company issuing the instrument).

In paragraph (b) "the stamp duty exemption for non-sterling instruments" means the exemption from stamp duty provided for by section 30 of the Finance Act 1967 or section 7 of the Finance Act (Northern Ireland) 1967.".

(3) This section applies to any instrument issued on or after 30th January 1999, except one giving effect to an agreement for a company merger or takeover entered into in writing by the companies involved before that date.

Marginal Citations

M1 1986 c.41.