



Finance Act 2000

2000 CHAPTER 17

PART IV U.K.

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty

118 Land transferred etc for other property. U.K.

- (1) Subsection (2) applies where—
 - (a) an instrument transferring or vesting an estate or interest in land would not, apart from this section, be or fall to be treated as a conveyance or transfer on sale for the purposes of stamp duty; but
 - (b) the transfer or vesting of the estate or interest is for consideration; and
 - (c) the consideration is or includes any property (“the other property”).
- (2) For the purposes of Part I of Schedule 13 to the Finance Act 1999 (stamp duty on conveyance or transfer on sale) the instrument transferring or vesting the estate or interest shall be taken to be a transfer on sale of the estate or interest.
- (3) If—
 - (a) the other property is or includes one or more estates or interests in land, and
 - (b) *ad valorem* duty is chargeable on the conveyance or transfer of all or any of those estates or interests,the amount of duty that would (apart from this subsection) be chargeable in consequence of subsection (2) on the transfer on sale there mentioned shall be reduced (but not below nil) by the total of the *ad valorem* duty chargeable as mentioned in paragraph (b).
- (4) If, for the purposes of Part I of Schedule 13 to the Finance Act 1999, the amount or value of the consideration for the transfer on sale mentioned in subsection (2) would (apart from this subsection) exceed the market value of the estate or interest immediately before the execution of the instrument transferring or vesting it, the

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amount or value of the consideration shall be taken for those purposes to be equal to that market value.

- (5) For the purposes of this section, the market value of property at any time is the price which that property might reasonably be expected to fetch on a sale at that time in the open market.
- (6) Subsection (2) has effect even though—
- (a) the transfer or vesting of the estate or interest is the whole or part of the consideration for a sale of the other property; or
 - (b) the transaction is by way of exchange.
- (7) Subsection (2) does not affect any charge to stamp duty in respect of the same or any other instrument so far as it relates to the transfer of the other property.
- (8) This section is subject to subsection (5) of section 119.
- (9) This section shall be construed as one with the ^{M1}Stamp Act 1891.
- (10) This section applies to instruments executed on or after 28th March 2000.
- (11) But this section does not apply to an instrument giving effect to a contract made on or before 21st March 2000, unless—
- (a) the instrument is made in consequence of the exercise after that date of any option, right of pre-emption or similar right; or
 - (b) the instrument transfers the property in question to, or vests it in, a person other than the purchaser under the contract, because of an assignment (or, in Scotland, assignation) or further contract made after that date.
- (12) This section shall be deemed to have come into force on 28th March 2000.

Marginal Citations

M1 1891 c. 39.

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