



# Finance Act 2006

## 2006 CHAPTER 25

### PART 8

#### STAMP TAXES

##### *Stamp duty land tax*

#### **167 Demutualisation of insurance companies**

- (1) Schedule 7 to FA 2003 (stamp duty land tax: group relief etc) is amended as follows.
- (2) In paragraph 2 (restrictions on availability of group relief) in sub-paragraph (1) (no relief if arrangements by virtue of which a person has or could have control of purchaser but not vendor) at the end insert—

“For another exception to this, see sub-paragraph (3A).”
- (3) In that paragraph after sub-paragraph (3) (arrangements which are within sub-paragraph (2)(a)) insert—

“(3A) Sub-paragraphs (1) and (2)(b) do not apply to arrangements in so far as they are for the purpose of facilitating a transfer of the whole or part of the business of a company to another company in relation to which—

  - (a) section 96 of the Finance Act 1997 is intended to apply (stamp duty relief: demutualisation of insurance companies), and
  - (b) the conditions for relief under that section are intended to be met.”
- (4) In paragraph 4 (cases in which group relief not withdrawn under paragraph 3)—
  - (a) after sub-paragraph (6) (the third case where the relief not withdrawn) insert—

“(6A) The fourth case is where—

    - (a) the purchaser ceases to be a member of the same group as the vendor as a result of the transfer of the whole or part of the vendor’s business to another company (“the acquiring company”) in relation to which—

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*Status: This is the original version (as it was originally enacted).*

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- (i) section 96 of the Finance Act 1997 applies (stamp duty relief: demutualisation of insurance companies), and
    - (ii) the conditions for relief under that section are met, and
  - (b) the purchaser is immediately after that transfer a member of the same group as the acquiring company.”, and
  - (b) in sub-paragraph (7) (re-imposition of the withdrawal of the relief), in the opening words, after “in a case within sub-paragraph (6)” insert “or (6A)”.
- (5) The amendments made by this section have effect in relation to any transfer which takes place, or is intended to take place, after 22nd March 2006.