
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Paragraph 54. (See end of Document for details)

SCHEDULES

SCHEDULE 2

QUALIFYING ASSET HOLDING COMPANIES

PART 10

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty and SDRT exemption for repurchase of own shares or loan capital

- 54 (1) A transfer to a QAHC of its own shares or own loan capital is exempt from all stamp duties if—
- (a) the transfer does not form part of disqualifying arrangements,
 - (b) the transfer does not take place at a time when there exist arrangements for a substantial sale of the QAHC, and
 - (c) in the case of a transfer of own shares, the QAHC delivers a return in relation to the transfer of the shares to the registrar of companies in accordance with section 707 of the Companies Act 2006 (return on purchase of own shares).
- (2) In this paragraph “own loan capital”, in relation to a company, means loan capital issued by that company.
- (3) For the purpose of determining whether a company was a QAHC at the time a transfer of its own shares or own loan capital was made to it, the transfer is to be treated as taking place—
- (a) in a case where the agreement to make the transfer is conditional, on the day on which the condition is satisfied, or
 - (b) in any other case, the day on which the agreement is made.
- (4) But a transfer of own shares or own loan capital to a company that ceased being a QAHC as a result of that transfer is to be treated as a transfer to a QAHC.
- (5) A transfer of a QAHC’s own shares or own loan capital to it forms part of disqualifying arrangements if it is reasonable to assume that—
- (a) that transfer is made in connection with the issue by the QAHC of new shares or new loan capital to a person (“P”) other than the transferor of the QAHC’s own shares or own loan capital, and
 - (b) the main purpose, or one of the main purposes, of the making of the transfer and the issuing of those shares or loan capital is to secure an outcome which is substantially economically equivalent to a transfer of the QAHC’s own shares or own loan capital, or a part of those shares or that capital, from the transferor to P.
- (6) There are arrangements for a substantial sale of the QAHC if—

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2022, Paragraph 54. (See end of Document for details)*

- (a) arrangements exist for the disposal of shares or loan capital, or a mixture of both, that represent at least 90% of relevant interests in the QAHC (determined in accordance with the rules in paragraphs 3 to 6 for determining whether a person has a relevant interest in a QAHC), and
 - (b) those arrangements will include the acquisition by a person of shares or loan capital that represent a relevant interest in the QAHC.
- (7) In this paragraph “loan capital” has the meaning given by section 78(7) of FA 1986, and reference to the issue of loan capital includes the issuing of any rights in connection with the raising of capital.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2022, Paragraph 54.