



Finance Act 1956

1956 CHAPTER 54

PART VI

STAMP DUTIES

37 Conveyances on sale

- (1) Subject to the following provisions of this section.—
- (a) section seventy-three of the Finance (1909-10) Act, 1910 (which doubled stamp duties chargeable on conveyances and transfers on sale), shall not apply in any case where the amount or value of the consideration for the sale does not exceed three thousand five hundred pounds and the instrument contains the appropriate certificate ;
 - (b) Part VI of the Finance Act, 1947, so far as it increases any duty chargeable under or by reference to the heading " Conveyance or Transfer on sale " in the First Schedule to the Stamp Act, 1891, shall not apply in any case where that amount or value does not exceed four thousand two hundred and fifty pounds and the instrument contains the appropriate certificate ; and
 - (c) in a case where the amount or value of the consideration does not exceed five thousand pounds and the instrument contains the appropriate certificate, the said Part VI, so far as it increases any such duty as aforesaid, shall have effect (unless its application is excluded by the last foregoing paragraph) as if it directed the duty to be one-and-a-half times (instead of double) the duty which would have been chargeable immediately before the first day of August, nineteen hundred and forty-seven.
- (2) The foregoing provisions of this section shall not affect any duty chargeable under or by reference to the said heading as it applies to a conveyance or transfer of stock or marketable securities, or any duty chargeable by reference to that heading by virtue of the heading "Lease or Tack" in the said First Schedule where part of the consideration consists of rent and that rent exceeds the sum of twenty pounds a year.
- (3) For the purposes of the foregoing provisions of this section the appropriate certificate is a statement certifying that the transaction effected by the instrument does not form

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part of a larger transaction, or of a series of transactions, in respect of which the amount or value, or the aggregate amount or value, of the consideration exceeds three thousand five hundred, four thousand two hundred and fifty, or five thousand pounds, according as the certificate is that referred to in paragraph (a) (b) or (c) of subsection (1) of this section; but any such statement shall be construed as leaving out of account any matter which, in accordance with the next following subsection, is to be disregarded for the purposes of the said subsection (1).

- (4) For the purposes of subsection (1) of this section any sale or contract or agreement for the sale of goods, wares or merchandise shall be disregarded in the case of—
- (a) any instrument chargeable under the heading " Conveyance or Transfer on sale " in the First Schedule to the Stamp Act, 1891, other than an actual conveyance or transfer of the goods, wares or merchandise (with or without other property); or
 - (b) any instrument chargeable by reference to that heading under section fifty-nine of that Act (which makes a contract or agreement for sale of certain property chargeable with duty as if it were an actual conveyance on sale).
- (5) In this section, any reference to the amount or value of any consideration shall be construed—
- (a) in relation to duty chargeable on a conveyance or transfer operating as a voluntary disposition inter vivos, as a reference to the value of the property; and
 - (b) in relation to duty chargeable by virtue of the said heading " Lease or Tack", as a reference to the amount or value of the consideration in money, stock or security, other than rent.
- (6) This section shall have effect from the first day of August, nineteen hundred and fifty-six.

38 Annuity contracts and life insurance policies

- (1) An instrument being a grant or contract for payment of a purchased life annuity shall be chargeable with stamp duty under paragraph (3) of the heading " Bond, Covenant or Instrument of any kind whatsoever " in the First Schedule to the Stamp Act, 1891, and not otherwise, whether or not the annuity is a superannuation annuity as defined in that paragraph.
- (2) Where, in the opinion of the Commissioners, any body of persons carrying on the business of granting life annuities or the business of issuing policies of life insurance so carries on that business as to render it impracticable or inexpedient to require that the stamp duties chargeable on grants or contracts for payment of such annuities or on policies of life insurance should be charged and paid on such instruments issued by the body in the course of that business, the Commissioners may enter into an agreement with that body for the delivery to the Commissioners of periodical accounts giving such particulars as may be required of those instruments.
- (3) The agreement shall be in such form and shall contain such terms and conditions as the Commissioners think proper.
- (4) Where an agreement has been entered into under this section between the Commissioners and any body of persons, any instrument to which the agreement relates and which contains a statement that the appropriate stamp duty has been or will be paid to the Commissioners in accordance with the provisions of this section

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shall not be chargeable with any stamp duty, but the aggregate of the sums which, but for the provisions of this subsection, would have been chargeable by way of stamp duty on any such instruments issued during the period to which any account delivered under the agreement relates shall, by way of composition, be paid by the body to the Commissioners on the delivery of the account.

- (5) Where a body makes default in delivering any account required by any such agreement or in paying the duty payable on the delivery of any such account, the body shall be liable to a fine not exceeding fifty pounds for every day during which the default continues and shall also be liable to pay to Her Majesty, in addition to the duty, interest thereon at the rate of five per cent. per annum from the date when the default begins.
- (6) In this section "purchased life annuity" means a life annuity granted for consideration in money or money's worth in the ordinary course of a business of granting annuities on human life.
- (7) This section shall have effect from the first day of August, nineteen hundred and fifty-six; and any agreement made before that date under section seventy-two of the Finance Act, 1948 (which in relation to industrial assurance policies makes provisions similar to those of subsections (2) to (5) of this section), shall be treated as having been made under this section.

39 Composition for duty on cheques, etc.

- (1) The Commissioners may enter into an agreement with any banker for the composition, in accordance with the following provisions of this section, of the stamp duty chargeable under the heading "Bill of Exchange payable on demand" in the First Schedule to the Stamp Act, 1891, on such instruments—
 - (a) drawn on the banker by his customers on forms supplied by him, or
 - (b) drawn by the banker on himself or another banker,as may be specified in the agreement.
- (2) Any such agreement shall require the banker to deliver to the Commissioners periodical accounts in respect of the instruments to which the agreement relates giving particulars—
 - (a) of forms supplied by him to his customers with a view to their being completed and issued as such instruments by the customers, and of forms so supplied but returned unused or spoilt, and
 - (b) of such instruments issued by him,and may contain such other terms and conditions as the Commissioners think proper.
- (3) Where any such agreement has been made with a banker, any instrument to which the agreement relates and which bears such indication of the payment of stamp duty as the Commissioners may require shall not be chargeable with stamp duty, but the banker shall pay to the Commissioners, on the delivery of any account under the agreement, such sums as would but for the provisions of this section have been chargeable by way of stamp duty on such instruments issued during the period to which the account relates, it being assumed for this purpose that the number of such instruments issued by his customers was equal to the number of forms supplied less the number of forms returned as mentioned in paragraph (a) of the last foregoing subsection.
- (4) Where a banker makes default in delivering any account required by any such agreement or in paying the duty payable on the delivery of any such account, he shall

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be liable to a fine not exceeding fifty pounds for any day during which the default continues and shall also be liable to pay to Her Majesty, in addition to the duty, interest thereon at the rate of five per cent. per annum from the date when the default begins.