
STATUTORY INSTRUMENTS

1988 No. 268

TAXES

**The Stamp Duty and Stamp Duty Reserve Tax
(Definitions of Unit Trust Scheme) Regulations 1988**

Made - - - - 18th February 1988
*Laid before the House of
Commons* - - - - 18th February 1988
Coming into force - - 11th March 1988

The Treasury, in exercise of the powers conferred on them by section 57 of the Finance Act 1946⁽¹⁾ and section 28 of the Finance (No. 2) Act (Northern Ireland) 1946⁽²⁾, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Stamp Duty and Stamp Duty Reserve Tax (Definitions of Unit Trust Scheme) Regulations 1988 and shall come into force on 11th March 1988.

Interpretation

2. In these Regulations unless the context otherwise requires—

“limited partnership” means a limited partnership registered under the Limited Partnerships Act 1907⁽³⁾ and “general partner” and “limited partner” have the same meanings as in that Act; “limited partnership scheme” means a unit trust scheme of the description specified in regulation 4;

“Part III” means Part III of the Finance (No. 2) Act (Northern Ireland) 1946;

“Part VII” means Part VII of the Finance Act 1946;

“participant” in relation to a unit trust scheme, has the meaning given by section 75(2) of the Financial Services Act 1986⁽⁴⁾;

(1) 1946 c. 64; section 57 was amended by section 48 of the Finance Act 1987 (c. 16).

(2) 1946 c. 17 (N.I.); section 28 was amended by section 48 of the Finance Act 1987 (c. 16).

(3) 1907 c. 24; relevant amendments were made by section 286 of, and Part I of Schedule 6 to, the Companies (Consolidation) Act 1908 (c. 69), section 1 of, and Part I of the Schedule to, the Statute Law Revision Act 1927 (c. 42) and sections 46(b) and 51(2) of, and Schedule 7 to, the Banking Act 1979 (c. 37).

(4) 1986 c. 60.

“scheme property” means, in relation to a unit trust scheme, property of any description, including money, which is held on trust for the participants in the scheme;

“unit trust scheme” means a scheme which, apart from these Regulations, is a unit trust scheme for the purposes of Part VII or Part III as the case may be.

Exception of certain unit trust schemes from Part VII and Part III

3. A unit trust scheme which is—
- (a) a limited partnership scheme, or
 - (b) a profit sharing scheme which has been approved in accordance with Part I of Schedule 9 to the Finance Act 1978⁽⁵⁾,

shall be treated as not being a unit trust scheme for the purposes of Part VII or Part III as the case may be.

Description of a limited partnership scheme

4. A unit trust scheme is a limited partnership scheme when the scheme property is held on trust for the general partners and the limited partners in a limited partnership.

David Lightbown
Mark Lennox-Boyd
Two of the Lords Commissioners of Her
Majesty’s Treasury

18th February 1988

(5) 1978 c. 42; Part I of Schedule 9 was amended by section 25(1) (4) (5) and (6) of the Finance Act 1983 (c. 28).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for certain unit trust schemes to be excepted from the definitions of unit trust scheme given by section 57(1) of the Finance Act 1946 (“section 57(1)”) and section 28(1) of the Finance (No. 2) Act (Northern Ireland) 1946 (“section 28(1)”). As substituted by section 48 of the Finance Act 1987, those sections provide that “unit trust scheme” is to have the same meaning as in the Financial Services Act 1986. Two types of unit trust scheme are excepted from the definitions in section 57(1) and section 28(1) by these Regulations: limited partnership schemes and approved profit sharing schemes. In these cases the trust instrument relating to the scheme will not be liable to unit trust instrument duty and units under the scheme will not be treated as stock for transfer duty purposes or (by virtue of section 99(9) of the Finance Act 1986 (c. 41)) as chargeable securities for the purposes of stamp duty reserve tax.

Regulation 1 provides for the title and commencement.

Regulation 2 contains definitions.

Regulation 3 provides that limited partnership schemes and approved profit sharing schemes are to be excepted from the definitions of “unit trust scheme” in section 57(1) and section 28(1).

Regulation 4 describes a limited partnership scheme.