

2008 No. 3236

STAMP DUTY RESERVE TAX

The Stamp Duty Reserve Tax (Amendment of section 89AA of the Finance Act 1986) Regulations 2008

Made - - - - - *17th December 2008*
Laid before the House of Commons *17th December 2008*
Coming into force - - - *18th December 2008*

The Treasury make the following Regulations in exercise of the powers conferred by section 89AA(8) of the Finance Act 1986(a).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Stamp Duty Reserve Tax (Amendment of section 89AA of the Finance Act 1986) Regulations 2008 and shall come into force on 18th December 2008.

(2) These Regulations have effect in relation to any agreement to transfer securities—

- (a) in a case where the agreement is conditional, if the condition is satisfied on or after 18th December 2008, and
- (b) in any other case, if the agreement is made on or after that date.

Amendment of section 89AA of the Finance Act 1986

2. In section 89AA(2A) of the Finance Act 1986 (exception from the principal charge for repurchases and stock lending)(b)—

- (a) omit “and” at the end of paragraph (a), and
- (b) at the end of paragraph (b) insert “; and
- (c) that chargeable securities are transferred to P or his nominee and Q or his nominee in pursuance of the arrangement.”.

17th December 2008

Dave Watts
Steve McCabe
Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1986 c. 41. Section 89AA was inserted by section 103(1) of the Finance Act 1997 (c. 16) and amended by paragraph 6 of Schedule 21 to the Finance Act 2007 (c. 11).
(b) Subsection (2A) of section 89AA was inserted by paragraph 6(3) of Schedule 21 to the Finance Act 2007.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 89AA of the Finance Act 1986 provides that where chargeable securities are transferred under a stock lending or sale and repurchase arrangement, both the outward and the return delivery are relieved from Stamp Duty Reserve Tax, reflecting the temporary nature of the arrangement. The relief is subject to certain conditions including that securities of the same kind and amount must be returned to the lender or seller at the end of the arrangement.

The Regulations insert a requirement that the securities be transferred in both directions in accordance with the arrangement as a condition for relief.

A full and final Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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