



Finance Act 1985

1985 CHAPTER 54

PART III

STAMP DUTY

78—^{F1}
80.

Textual Amendments

F1 Ss. 78, 79 and 80 repealed by [Finance Act 1986 \(c. 41, SIF 114\)](#), ss. 73, 74(1)(c)(3), 114, Sch. 23 Pt. IX(1) Note 1

81 Renounceable letters of allotment etc.

- (1) Subsection (2) below applies where there is an arrangement whereby—
 - (a) rights under an instrument are renounced in favour of a person (A),
 - (b) the rights are rights to shares in a company (company B), and
 - (c) A, or a person connected with A, or A and such a person together, has or have control of company B or will have such control in consequence of the arrangement.
- [^{F2}(2) The instrument shall not be exempt by virtue of paragraph 24(d) of Schedule 13 to the Finance Act 1999 (renounceable letters of allotment, etc.) from stamp duty under or by reference to Part I of that Schedule (conveyance or transfer on sale).]
- (3) References in this section to shares in company B include references to its loan capital to which [^{F3}section 79(4) of the Finance Act 1986 does not apply by virtue of section 79(5) or (6)](convertible loan capital and excessive return capital).
- (4) In this section “ shares” includes stock.

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- (5) For the purposes of this section a person has control of company B if he has power to control company B's affairs by virtue of holding shares in, or possessing voting power in relation to, company B or any other body corporate.
- (6) For the purposes of this section one person is connected with another if he would be so connected for the purposes of the [^{F4}Taxation of Chargeable Gains Act 1992].
- (7) This section applies to instruments if rights are renounced under them on or after 1st August 1985, except where the arrangement concerned includes an offer for the rights and on or before 27th June 1985 the offer became unconditional as to acceptances.

Textual Amendments

- F2** S. 81(2) substituted (with effect in accordance with s. 112(6) of the amending Act) by Finance Act 1999 (c. 16) ss. 112(4), 122, {Sch. 14 para. 8}
- F3** Words in s. 81(3) substituted (with effect in accordance with s. 112(6) of the amending Act) by Finance Act 1999 (c. 16) ss. 112(4), 122, {Sch. 14 para. 8}
- F4** Words in s. 81 substituted (6.4.1992) by 1992 (c. 12), s. 290, {Sch. 10 para. 9}

82 Gifts inter vivos.

- (1) The stamp duty chargeable by virtue of section 74 of the ^{M1}Finance (190910) Act 1910 (gifts inter vivos) is abolished.
- (2) In section 58(7) of the Stamp Act 1891 (valuation by reference to value for purposes of section 74 of 1910 Act) for the words from “the value” to the end there shall be substituted “the value at any time of any property, that value shall be taken to be the price which the property might reasonably be expected to fetch on a sale at that time in the open market.”
- (3) In section 90(5) of the ^{M2}Finance Act 1965 (which relates to valuation for the purposes of subsection (1) of that section and of section 74 of the 1910 Act) for “either of those provisions” there shall be substituted “that subsection”; and in section 4(5) of the ^{M3}Finance Act (Northern Ireland) 1965 (which makes similar provision) for “either of those provisions” there shall be substituted “that subsection”.
- (4) In section 15(1) of the ^{M4}Finance (No. 2) Act 1983 (relief from duty under section 74 of the 1910 Act for local constituency associations) for the words from “7 above” to the end there shall be substituted “7 above, section 57 of the ^{M5}Stamp Act 1891 shall not apply in relation to a conveyance or transfer by which the disposal or, in the case of paragraph (b), either of the disposals referred to in that paragraph is effected.”
- ^{F5}(5)
- (6) This section applies to—
 - (a) instruments executed on or after 26th March 1985, and
 - (b) instruments executed on or after 19th March 1985 which are stamped on or after 26th March 1985.
- (7) For the purposes of section 14(4) of the Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within

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subsection (6)(b) above shall be deemed to be that as varied in accordance with this section.

(8) The preceding provisions of this section shall be deemed to have come into operation on 26th March 1985.

^{F6}(9)

Textual Amendments

F5 S. 82(5) omitted (with effect in accordance with s. 100(3) of the commencing Act) by virtue of Finance Act 2008 (c. 9), s. 100(1)

F6 S. 82(9) omitted (with effect in accordance with s. 100(3) of the commencing Act) by virtue of Finance Act 2008 (c. 9), s. 100(1)

Marginal Citations

M1 1910 c. 8.

M2 1965 c. 25.

M3 1965 c. 16 (N.I.)

M4 1983 c. 49.

M5 1891 c. 39.

83 Part III Transfers in connection with divorce^{F7}, dissolution of civil partnership,] etc.

- (1) Stamp duty under [^{F8}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)] shall not be chargeable on an instrument by which property is conveyed or transferred from one party to a marriage to the other if the instrument—
- (a) is executed in pursuance of an order of a court made on granting in respect of the parties of [^{F9}an order or decree for their divorce, the annulment of the marriage or their judicial separation,] or
 - (b) is executed in pursuance of an order of a court which is made in connection with the dissolution or annulment of the marriage or the parties' judicial separation and which is made at any time after the granting of such [^{F10}an order or decree for divorce, annulment or judicial separation as is mentioned in paragraph (a),] or
 - (c) is executed at any time in pursuance of an agreement of the parties made in contemplation of or otherwise in connection with the dissolution or annulment of the marriage or their judicial separation..

[^{F11}(1A) Stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 shall not be chargeable on an instrument by which property is conveyed or transferred from one party to a civil partnership to the other if the instrument —

- (a) is executed in pursuance of an order of a court made on granting in respect of the parties an order or decree for the dissolution or annulment of the civil partnership or their judicial separation;
- (b) is executed in pursuance of an order of a court which is made in connection with the dissolution or annulment of the civil partnership or the parties' judicial separation and which is made at any time after the granting of such an order or decree for dissolution, annulment or judicial separation as mentioned in paragraph (a);

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- (c) is executed in pursuance of an order of a court which is made at any time under any provision of Schedule 5 to the Civil Partnership Act 2004 that corresponds to section 22A, 23A or 24A of the Matrimonial Causes Act 1973; or
- (d) is executed at any time in pursuance of an agreement of the parties made in contemplation of or otherwise in connection with the dissolution or annulment of the civil partnership, their judicial separation or the making of a separation order in respect of them.]

^{F12}(2)

- (3) This section applies to instruments executed on or after 26th March 1985 and shall be deemed to have come into operation on that date.

Textual Amendments

- F7** Words in s. 83 heading inserted (5.12.2005) by [Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **41(4)**
- F8** Words in s. 83(1) substituted (27.7.1999 with effect in relation to instruments executed on or after 1.10.1999) by [1999 c. 16, s. 112\(4\)\(6\)](#), **Sch. 14 para. 10(a)**
- F9** Words in s. 83(1)(a) substituted (6.4.2022) by [Divorce, Dissolution and Separation Act 2020 \(c. 11\)](#), s. 8(1)(8), **Sch. para. 49(a)**; S.I. 2022/283, reg. 2
- F10** Words in s. 83(1)(b) substituted (6.4.2022) by [Divorce, Dissolution and Separation Act 2020 \(c. 11\)](#), s. 8(1)(8), **Sch. para. 49(b)**; S.I. 2022/283, reg. 2
- F11** S. 83(1A) inserted (5.12.2005) by [Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **41(2)**
- F12** S. 83(2) omitted (with effect in accordance with s. 99(2) of the commencing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 32 para. 2** (with [Sch. 32 para. 22\(1\)\(a\)](#))

84 Death: varying dispositions, and appropriations.

- (1) Where, within the period of two years after a person's death, any of the dispositions (whether effected by will, under the law relating to intestacy or otherwise) of the property of which he was competent to dispose are varied by an instrument executed by the persons or any of the persons who benefit or would benefit under the dispositions, stamp duty under [^{F13}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)] shall not be chargeable on the instrument.
- (2) Subsection (1) above does not apply where the variation is made for any consideration in money or money's worth other than consideration consisting of the making of a variation in respect of another of the dispositions.
- (3) Subsection (1) above applies whether or not the administration of the estate is complete or the property has been distributed in accordance with the original dispositions.
- (4) Where property is appropriated by a personal representative in or towards satisfaction of a general legacy of money, stamp duty under the heading mentioned in subsection (1) above shall not be chargeable on an instrument giving effect to the appropriation.
- (5) Where on an intestacy property is appropriated by a personal representative in or towards satisfaction of any interest of a surviving [^{F14}spouse or civil partner] in the intestate's estate, stamp duty under the heading mentioned in subsection (1) above shall not be chargeable on an instrument giving effect to the appropriation.

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- (6) The reference in subsection (5) above to an interest in the intestate's estate—
- (a) includes a reference to the capital value of a life interest which the surviving [^{F15}spouse or civil partner] has under the ^{M6}Intestates' Estates Act 1952 elected to have redeemed, and
 - (b) in Scotland, includes a reference to prior rights (within the meaning of the ^{M7}Succession (Scotland) Act 1964) but, without prejudice to subsection (7) below, not to such rights as are mentioned in that subsection.
- (7) Where in Scotland, on an intestacy or otherwise, property is appropriated by a personal representative in or towards satisfaction of the right of a husband to *jus relict*, of a wife to [^{F16}relict, of issue to legitim or rights under section 131 of the Civil Partnership Act 2004, or of a civil partner to rights under section 131 of that Act], stamp duty under the heading mentioned in subsection (1) above shall not be chargeable on an instrument giving effect to the appropriation.
- ^{F17}(8)
- ^{F18}(9)
- (10) Subject to subsection (11) below, this section applies to instruments executed on or after 26th March 1985 and shall be deemed to have come into operation on that date.
- (11) Subsections (5) to (7) above ^{F19}... apply to instruments executed on or after 1st August 1985.

Textual Amendments

- F13** Words in s. 84(1) substituted (27.7.1999 with effect in relation to instruments executed on or after 1.10.1999) by 1999 c. 16, s. 112(4)(6), **Sch. 14 para. 11(a)**
- F14** Words in s. 84(5) substituted (5.12.2005) by Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **42(2)**
- F15** Words in s. 84(6)(a) substituted (5.12.2005) by Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **42(3)**
- F16** Words in s. 84(7) substituted (5.12.2005) by Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **42(4)**
- F17** S. 84(8) omitted (with effect in accordance with s. 99(2) of the commencing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 32 para. 3(a)** (with Sch. 32 para. 22(1)(a))
- F18** S. 84(9) omitted (with effect in accordance with s. 99(2) of the commencing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 32 para. 3(a)** (with Sch. 32 para. 22(1)(a))
- F19** Words in s. 84(11) omitted (with effect in accordance with s. 99(2) of the commencing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 32 para. 3(b)** (with Sch. 32 para. 22(1)(a))

Marginal Citations

- M6** 1952 c. 64.
M7 1964 c. 41.

85 Repeal of certain fixed duties.

- (1) The headings which are specified in Schedule 1 to the Stamp Act 1891 and are mentioned in Schedule 24 to this Act shall be omitted.

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- (2) In section 7 of the ^{M8}Finance Act 1907 (stamping of hirepurchase agreements) for the words from “shall only be charged” to the end there shall be substituted “shall not be charged with any stamp duty.”
- (3) This section and that Schedule apply to—
 - (a) instruments executed on or after 26th March 1985, and
 - (b) instruments executed on or after 19th March 1985 which are not stamped before 26th March 1985.
- (4) For the purposes of section 14(4) of the ^{M9}Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within subsection (3) (b) above shall be deemed to be that as varied in accordance with this section.
- (5) This section and that Schedule shall be deemed to have come into operation on 26th March 1985.

Marginal Citations

M8 1907 c. 13.

M9 1891 c. 39.

86 Abolition of duty on contract notes.

- (1) Subsections (1) and (2) of section 77 of the ^{M10}Finance (1909-10) Act 1910 (duty on contract notes) shall cease to have effect.
- (2) This section applies to contract notes made and executed on or after 26th March 1985, and shall be deemed to have come into operation on that date.

Marginal Citations

M10 1910 c. 8.

87 Certificates.

- (1) The Commissioners may make regulations providing that an instrument which is of a kind specified in them—
 - (a) shall be certified to be an instrument of that kind, and
 - (b) shall not be treated as duly stamped if it is not so certified.
- ^{F20}(2)
- (3) Certification under this section shall be by such method as the regulations may specify, and in particular they may provide for a certificate to be borne by or attached to or otherwise associated with an instrument in such manner as they may specify.
- (4) A certificate under this section shall be in such form and signed by such person as the regulations may specify.

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- (5) Regulations under this section may contain such incidental or consequential provisions as the Commissioners ^{F21}... think fit.
- (6) Regulations under this section may make different provision for different cases or descriptions of case.
- (7) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.

Textual Amendments

- F20** S. 87(2) omitted (with effect in accordance with Sch. 39 para. 10(1) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 4\(2\)](#) (with [Sch. 39 paras. 11-13](#))
- F21** Words in s. 87(5) omitted (with effect in accordance with Sch. 39 para. 10(1) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 4\(3\)](#) (with [Sch. 39 paras. 11-13](#))

88 Exchange rates.

Section 12 of the ^{M11}Finance Act 1899 (fixed exchange rate for foreign currency) shall not apply to instruments executed on or after 1st August 1985, and section 6 of the ^{M12}Stamp Act 1891 (exchange rate at date of instrument) shall apply to instruments to which section 12 of the 1899 Act would apply if this Act had not been passed.

Marginal Citations

- M11** 1899 c. 9.
M12 1891 c. 39.

89 Exemption from section 28 of Finance Act 1931.

- (1) Section 28 of the ^{M13}Finance Act 1931 (production to Commissioners of instruments transferring land and furnishing of particulars) shall not apply in relation to any instrument (an “exempt instrument”) which falls within any class prescribed for the purposes of this section by regulations made by the Commissioners.
- (2) Regulations under this section may—
 - (a) provide that the particulars mentioned in Schedule 2 to the 1931 Act shall be furnished to the Commissioners, in accordance with the requirements of the regulations, in respect of exempt instruments or such descriptions of exempt instruments as may be prescribed by the regulations;
 - (b) make different provision in relation to different cases or kinds of case and in respect of different parts of Great Britain.
- (3) Any person who fails to comply with any requirement imposed by regulations made under this section shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale ^{F22}. . .
- (4) The power to make regulations under this section shall be exercisable by statutory instrument; and a statutory instrument containing regulations under this section shall be subject to annulment in pursuance of a resolution of the House of Commons.

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- (5) Section 35(x) of the 1931 Act (which gives power by regulations to exempt certain instruments in Scotland where particulars are obtained through the General Register of Sasines and which is superseded by the power given by this section) shall cease to have effect.
- (6) Regulations made under section 35(x) shall have effect after the commencement of this section as if they were made under this section and as if they imposed on the Keeper of the Registers of Scotland the duty mentioned in section 35(x).

Textual Amendments

F22 Words in s. 89(3) repealed (5.11.1993) by 1993 c. 50, s. 1(1), **Sch. 1**, Pt.XIV

Marginal Citations

M13 1931 c. 28.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1985, Part III.