



Finance Act 1985

1985 CHAPTER 54

PART III

STAMP DUTY

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.
- ^{F1}(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 ^{F2}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.
- (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 ^{F3}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.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1985, Section 81. (See end of Document for details)

Textual Amendments

- F1** 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}
- F2** 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}
- F3** Words in s. 81 substituted (6.4.1992) by 1992 (c. 12), s. 290, {Sch. 10 para. 9}

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1985, Section 81.