



Finance (No. 2) Act 1987

1987 CHAPTER 51

PART III

MISCELLANEOUS AND SUPPLEMENTARY

100 Stamp duty reserve tax.

- (1) The Finance Act 1986 shall have effect in relation to agreements to transfer securities made on or after 8th May 1987 with the insertion of the following section after section 89 —

(**“89A) Section 87: exceptions for public issues.**

- (1) Section 87 above shall not apply as regards an agreement to transfer securities other than units under a unit trust scheme to B or B's nominee if —
- (a) the agreement is part of an arrangement, entered into by B in the ordinary course of B's business as an issuing house, under which B (as principal) is to offer the securities for sale to the public,
 - (b) the agreement is conditional upon the admission of the securities to the Official List of The Stock Exchange,
 - (c) the consideration under the agreement for each security is the same as the price at which B is to offer the security for sale, and
 - (d) B sells the securities in accordance with the arrangement referred to in paragraph (a) above.
- (2) Section 87 above shall not apply as regards an agreement if the securities to which the agreement relates are newly subscribed securities other than units under a unit trust scheme and —
- (a) the agreement is made in pursuance of an offer to the public made by A (as principal) under an arrangement entered into in the ordinary course of A's business as an issuing house,

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- (b) a right of allotment in respect of, or to subscribe for, the securities has been acquired by A under an agreement which is part of the arrangement,
 - (c) both those agreements are conditional upon the admission of the securities to the Official List of The Stock Exchange, and
 - (d) the consideration for each security is the same under both agreements; and for the purposes of this subsection, “newly subscribed securities” are securities which, in pursuance of the arrangement referred to in paragraph (a) above, are issued wholly for new consideration.
- (3) Section 87 above shall not apply as regards an agreement if the securities to which the agreement relates are registered securities other than units under a unit trust scheme and —
- (a) the agreement is made in pursuance of an offer to the public made by A,
 - (b) the agreement is conditional upon the admission of the securities to the Official List of The Stock Exchange, and
 - (c) under the agreement A issues to B or his nominee a renounceable letter of acceptance, or similar instrument, in respect of the securities.
- (4) The Treasury may by regulations amend paragraph (b) of subsection (1) above, paragraph (c) of subsection (2) above, and paragraph (b) of subsection (3) above (as they have effect for the time being); and 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.”
- (2) Section 91 of the Finance Act 1986 ^{F1} (liability to tax) shall have effect, and shall be deemed always to have had effect, with the omission of subsection (2).

Textual Amendments

F1 1986 c. 41.

Changes to legislation:

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