



Finance Act 1988

1988 CHAPTER 39

PART IV

MISCELLANEOUS AND GENERAL

Stamp duty and stamp duty reserve tax

^{F1}140

Textual Amendments

F1 S. 140 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. V(2) notes 1, 2 of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. V(2)**

^{F2}141

Textual Amendments

F2 S. 141 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. V(2) notes 1, 2 of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. V(2)**

142 Stamp duty: housing action trusts.

^{F3}(1)

(2) In section 107 of the ^{M1}Finance Act 1981 (sales at a discount by local authorities etc.) after paragraph (f) of subsection (3) there shall be inserted—

“(ff) a housing action trust established under Part III of the Housing Act 1988;”

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Cross Heading: Stamp duty and stamp duty reserve tax. (See end of Document for details)

Textual Amendments

- F3** S. 142(1) 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. 3(2)(b)** (with Sch. 39 paras. 11-13)

Marginal Citations

- M1** 1981 c. 35.

143 Stamp duty: paired shares

(1) This section applies where —

- (a) the articles of association of a company incorporated in the United Kingdom (“the UK company”) and the equivalent instruments governing a company which is not so incorporated (“the foreign company”) each provide that no share in the company to which they relate may be transferred otherwise than as part of a unit comprising one share in that company and one share in the other; and
- (b) such units are to be or have been offered for sale to the public in the United Kingdom and, at the same time, an equal number of such units are to be or, as the case may be, have been offered for sale to the public at a broadly equivalent price in the country in which the foreign company is incorporated (“the foreign country”).

[^{F4}(2) In relation to an instrument to which this subsection applies, no duty is chargeable under paragraph 1 of Schedule 15 to the Finance Act 1999 (bearer instruments: charge on issue); but this does not affect the other requirements of that Schedule.]

(3) [^{F5}Subsection (2) above applies] to any bearer instrument issued on or after 1st November 1987 which represents shares in the UK company, or a right to an allotment of or to subscribe for such shares, if the purpose of the issue is —

- (a) to make such shares available for sale (as part of such units as are referred to in subsection (1) above) in pursuance of either of the offers referred to in subsection (1)(b) above or of any other offer for sale of such units to the public made at the same time and at a broadly equivalent price in a country other than the United Kingdom or the foreign country; or
- (b) to give effect to an allotment of such shares (as part of such units) as fully or partly paid bonus shares.

[^{F6}(4) In relation to an instrument to which this subsection applies—

- (a) the foreign company shall be treated for the purposes of Schedule 15 to the Finance Act 1999 (stamp duty on bearer instruments) as a UK company, and
- (b) paragraph 17 of that Schedule (exemption for non-sterling instruments) shall not apply.]

(5) [^{F7}Subsection (4) above applies] to any bearer instrument issued on or after 9th December 1987 which represents shares in the foreign company, or a right to an allotment of or to subscribe for such shares, and is not issued for the purpose —

- (a) of making shares in the foreign company available for sale (as part of such units as are referred to in subsection (1) above) in pursuance of either of the offers referred to in subsection (1)(b) above or of any other offer such as is mentioned in subsection (3)(a) above; or

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Cross Heading: Stamp duty and stamp duty reserve tax. (See end of Document for details)

- (b) of giving effect to an allotment of such shares (as part of such units) as fully or partly paid bonus shares.
- (6) In relation to any instrument which transfers such units as are referred to in subsection (1) above and is executed on or after the date of the passing of this Act, the foreign company shall be treated for the purposes of sections 67 and 68 (depository receipts) and 70 and 71 (clearance services) of the Finance Act 1986 as a company incorporated in the United Kingdom.
- (7) Section 3 of the Stamp Act 1891 (which requires every instrument written upon the same piece of material as another instrument to be separately stamped) shall not apply in relation to any bearer instrument issued on or after 9th December 1987 which represents shares in the UK company or the foreign company, or a right to an allotment of or to subscribe for such shares.
- (8) This section shall be construed as one with the Stamp Act 1891.
- (9) Subsections (2) and (3) above, together with subsection (1) above so far as relating to them, shall be deemed to have come into force on 1st November 1987, and subsections (4), (5) and (7) above, together with subsection (1) above so far as relating to them, shall be deemed to have come into force on 9th December 1987.

Textual Amendments

- F4** S. 143(2) substituted (with application in accordance with s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\)](#) s. 113(3), {Sch. 16 para. 11(2)}
- F5** Words in s. 143(3) substituted (with application in accordance with s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\)](#) s. 113(3), {Sch. 16 para. 11(3)}
- F6** S. 143(4) substituted (with application in accordance with s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\)](#) s. 113(3), {Sch. 16 para. 11(4)}
- F7** Words in s. 143(5) substituted (with application in accordance with s. 113(4) of the amending Act) by [Finance Act 1999 \(c. 16\)](#) s. 113(3), {Sch. 16 para. 11(5)}

Modifications etc. (not altering text)

- C1** S. 143 modified (26.7.1990) by [Finance Act 1990 \(c. 29\)](#) s. 112

144 Stamp duty reserve tax: paired shares etc

- (1) Section 99 of the Finance Act 1986 (stamp duty reserve tax: interpretation) shall be amended as follows.
- (2) For subsections (3) to (6) there shall be substituted —
- “(3) Subject to the following provisions of this section, “chargeable securities” means —
- (a) stocks, shares or loan capital,
 - (b) interests in, or in dividends or other rights arising out of, stocks, shares or loan capital,
 - (c) rights to allotments of or to subscribe for, or options to acquire, stocks, shares or loan capital, and
 - (d) units under a unit trust scheme.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Cross Heading: Stamp duty and stamp duty reserve tax. (See end of Document for details)

- (4) “Chargeable securities” does not include securities falling within paragraph (a), (b) or (c) of subsection (3) above which are issued or raised by a body corporate not incorporated in the United Kingdom unless —
- (a) they are registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised, or
 - (b) in the case of shares, they are paired with shares issued by a body corporate incorporated in the United Kingdom, or
 - (c) in the case of securities falling within paragraph (b) or (c) of subsection (3) above, paragraph (a) or (b) above applies to the stocks, shares or loan capital to which they relate.
- (5) “Chargeable securities” does not include —
- (a) securities the transfer of which is exempt from all stamp duties, or
 - (b) securities falling within paragraph (b) or (c) of subsection (3) above which relate to stocks, shares or loan capital the transfer of which is exempt from all stamp duties.
- (6) “Chargeable securities” does not include interests in depositary receipts for stocks or shares.
- (6A) For the purposes of subsection (4) above, shares issued by a body corporate which is not incorporated in the United Kingdom (“the foreign company”) are paired with shares issued by a body corporate which is so incorporated (“the UK company”) where —
- (a) the articles of association of the UK company and the equivalent instruments governing the foreign company each provide that no share in the company to which they relate may be transferred otherwise than as part of a unit comprising one share in that company and one share in the other, and
 - (b) such units have been offered for sale to the public in the United Kingdom and, at the same time, an equal number of such units have been offered for sale to the public at a broadly equivalent price in the country in which the foreign company is incorporated.”
- (3) ^{F8}
- (4) In subsection (10), for paragraph (a) there shall be substituted —
- “(a) paragraph (a) of subsection (4) above and the reference to that paragraph in paragraph (c) of that subsection shall be ignored, and”.
- (5) After subsection (10) there shall be added —
- “(11) In interpreting “chargeable securities” in section 93 or 96 above in a case where —
- (a) newly subscribed shares, or
 - (b) securities falling within paragraph (b) or (c) of subsection (3) above which relate to newly subscribed shares,
- are issued in pursuance of an arrangement such as is mentioned in that section (or an arrangement which would be such an arrangement if the securities issued were chargeable securities), paragraph (b) of subsection (4) above and the reference to that paragraph in paragraph (c) of that subsection shall be ignored.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 1988, Cross Heading: Stamp duty and stamp duty reserve tax. (See end of Document for details)*

- (12) In subsection (11) above, “newly subscribed shares” means shares issued wholly for new consideration in pursuance of an offer for sale to the public.”
- (6) This section applies in relation to —
- (a) agreements to transfer chargeable securities (within the meaning of section 99 of the Finance Act 1986 as amended by this section) made on or after 9th December 1987; and
 - (b) the transfer, issue or appropriation of such securities, or the issue of securities such as are mentioned in subsection (11) of that section, on or after that date in pursuance of an arrangement such as is mentioned in that subsection (whenever the arrangement was made),
- and shall be deemed to have come into force on that date.

Textual Amendments

F8 S. 144(3) repealed (with effect as mentioned in Sch. 20 Pt. V(5) notes 1, 2 of the amending Act) by Finance Act 1999 (c. 16), s. 139, **Sch. 20 Pt. V(5)**

Changes to legislation:

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