



Finance Act 1988

1988 CHAPTER 39

PART IV

MISCELLANEOUS AND GENERAL

Stamp duty and stamp duty reserve tax

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”).
- [^{F1}(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) [^{F2}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

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Section 143. (See end of Document for details)

- (b) to give effect to an allotment of such shares (as part of such units) as fully or partly paid bonus shares.
- [^{F3}(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) [^{F4}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
- (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

- F1** 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)}
- F2** 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)}
- F3** 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)}
- F4** 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

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1988, Section 143.