

**Changes to legislation:** Finance Act 1999, Part I is up to date with all changes known to be in force on or before 18 December 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

# SCHEDULES

## SCHEDULE 15

### STAMP DUTY: BEARER INSTRUMENTS

#### Modifications etc. (not altering text)

- C1** Sch. 15 modified (27.7.1999 with effect as mentioned in s. 113(4) of 1999 c. 16) by 1988 c. 39, s. 143(4) (a) (as inserted (27.7.1999 with effect as mentioned in s. 113(4) of the amending Act) by 1999 c. 16, s. 113(3), Sch. 16 para. 11)

### PART I

#### CHARGING PROVISIONS

##### *Charge on issue of instrument*

- 1 (1) Stamp duty is chargeable—
- (a) on the issue of a bearer instrument in the United Kingdom, and
  - (b) on the issue of a bearer instrument outside the United Kingdom by or on behalf of a UK company.
- (2) This is subject to the exemptions in Part II of this Schedule.

#### Modifications etc. (not altering text)

- C1** Sch. 15 para. 1 restricted (27.7.1999 with effect as mentioned in s. 113(4) of 1999 c. 16) by 1988 c. 39, s. 143(2) (as inserted (27.7.1999 with effect as mentioned in s. 113(4) of the amending Act) by 1999 c. 16, s. 113(3), Sch. 16 para. 11(2))

##### *Charge on transfer of stock by means of instrument*

- 2 Stamp duty is chargeable on the transfer in the United Kingdom of the stock constituted by or transferable by means of a bearer instrument if duty was not chargeable under paragraph 1 on the issue of the instrument and—
- (a) duty would be chargeable under Part I of Schedule 13 (conveyance or transfer on sale) if the transfer were effected by an instrument other than a bearer instrument, or
  - (b) the stock constituted by or transferable by means of a bearer instrument consists of units under a unit trust scheme.

##### *Meaning of “bearer instrument”*

- 3 In this Schedule “bearer instrument” means—

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- (a) a marketable security transferable by delivery;
- (b) a share warrant or stock certificate to bearer or instrument to bearer (by whatever name called) having the like effect as such a warrant or certificate;
- (c) a deposit certificate to bearer;
- (d) any other instrument to bearer by means of which stock can be transferred;  
or
- (e) an instrument issued by a non-UK company that is a bearer instrument by usage.

#### *Rates of duty*

4 The duty chargeable under this Schedule is 1.5% of the market value of the stock constituted by or transferable by means of the instrument, unless paragraph 5 or 6 applies.

5 In the case of—

- (a) a deposit certificate in respect of stock of a single non-UK company, or
- (b) an instrument issued by a non-UK company that is a bearer instrument by usage (and is not otherwise within the definition of “bearer instrument” in paragraph 3),

the duty is 0.2% of the market value of the stock constituted by or transferable by means of the instrument.

<sup>F16</sup> .....

#### **Textual Amendments**

**F1** Sch. 15 para. 6 omitted (with effect in accordance with s. 99(2) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 32 para. 11\(2\)](#)

#### *Ascertainment of market value*

7 (1) For the purposes of duty under paragraph 1 (charge on issue of instrument) the market value of the stock constituted by or transferable by means of the instrument is ascertained as follows.

(2) If the stock was offered for public subscription (whether in registered or in bearer form) within twelve months before the issue of the instrument, the market value shall be taken to be the amount subscribed for the stock.

(3) In any other case the market value shall be taken to be—

- (a) the value of the stock on the first day within one month after the issue of the instrument on which stock of that description is dealt in on a stock exchange in the United Kingdom, or
- (b) if stock of that description is not so dealt in, the value of the stock immediately after the issue of the instrument.

8 (1) For the purposes of duty under paragraph 2 (charge on transfer of stock by means of instrument) the market value of the stock constituted by or transferable by means of the instrument is ascertained as follows.

(2) In the case of a transfer pursuant to a contract of sale, the market value shall be taken to be the value of the stock on the date when the contract is made.

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- (3) In any other case, the market value shall be taken to be the value of the stock on the day preceding that on which the instrument is presented to the Commissioners for stamping, or, if it is not so presented, on the date of the transfer.

*Meaning of “deposit certificate”*

- 9 In this Schedule a “deposit certificate” means an instrument acknowledging the deposit of stock and entitling the bearer to rights (whether expressed as units or otherwise) in or in relation to the stock deposited or equivalent stock.

*Bearer instruments by usage*

- 10 (1) In this Schedule a “bearer instrument by usage” means an instrument —
- (a) which is used for the purpose of transferring the right to stock, and
  - (b) delivery of which is treated by usage as sufficient for the purposes of a sale on the market, whether that delivery constitutes a legal transfer or not.
- (2) A bearer instrument by usage is treated—
- (a) as transferring the stock on delivery of the instrument, and
  - (b) as issued by the person by whom or on whose behalf it was first issued, whether or not it was then capable of being used for transferring the right to the stock without execution by the holder.

*Meaning of “company”, “UK company” and “non-UK company”*

- 11 In this Schedule—
- “company” includes any body of persons, corporate or unincorporate;
  - [<sup>F2</sup>“UK company” means—
    - (a) a company that is formed or established in the United Kingdom (other than an SE which has its registered office outside the United Kingdom following a transfer in accordance with Article 8 of Council Regulation (EC) 2157/2001 on the Statute for a European Company (Societas Europaea)), or
    - (b) [<sup>F3</sup>a UK Societas;]  - “non-UK company” means a company that is not a UK company.]

**Textual Amendments**

- F2** Words in Sch. 15 para. 11 substituted (with effect in accordance with s. 58(4) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), s. 58(3)
- F3** Sch. 15 para. 11(b) substituted (31.12.2020) by The Taxes (Amendments) (EU Exit) Regulations 2019 (S.I. 2019/689), regs. 1, 9(2) (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)

*Meaning of “stock” and “transfer”*

- 12 (1) In this Schedule “stock” includes securities.
- (2) References in this Schedule to stock include any interest in, or in any fraction of, stock or in any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock.

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- (3) In this Schedule “transfer” includes negotiation, and “transferable”, “transferred” and “transferring” shall be construed accordingly.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 17 para. 6 - 8 Sch. 19 Pt. 1-III repealed (prosp.) by 1999 c. 16 s. 123(3)s. 123(4)139Sch. 20 Pt. 5(6) Note