



Finance Act 2000

2000 CHAPTER 17

PART IV

STAMP DUTY AND STAMP DUTY RESERVE TAX

Stamp duty

119 Transfer of land to connected company.

- (1) This section applies where an estate or interest in land is transferred to or vested in a company (“A”) and—
 - (a) the person transferring or vesting the estate or interest (“B”) is connected with A; or
 - (b) some or all of the consideration for the transfer or vesting consists of the issue or transfer of shares in a company with which B is connected.
- (2) For the purposes of Part I of Schedule 13 to the Finance Act 1999 (stamp duty on conveyance or transfer on sale) an instrument transferring or vesting the estate or interest shall be taken to be a transfer on sale of the estate or interest.
- (3) If for those purposes the amount or value of the consideration for the transfer on sale of the estate or interest would, apart from this subsection, be less than the value determined under subsection (4), the consideration shall be taken for those purposes to be the value determined under subsection (4).
- (4) That value is—
 - (a) the market value of the estate or interest immediately before the execution of the instrument transferring or vesting it; but
 - (b) reduced by the value of so much of any actual consideration as does not consist of property.
- (5) Where—
 - (a) apart from this section, an instrument would be chargeable to stamp duty in accordance with section 118, and

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Section 119. (See end of Document for details)

- (b) apart from that section, the instrument would be chargeable to stamp duty in accordance with this section,
 the stamp duty chargeable on the instrument shall be determined in accordance with this section (instead of that section).
- (6) This section applies only if, in consequence of its application, the instrument transferring or vesting the estate or interest is chargeable with a greater amount of stamp duty than it would be apart from this section and section 118.
- (7) For the purposes of this section, the market value of property at any time is the price which that property might reasonably be expected to fetch on a sale at that time in the open market.
- (8) In this section—
 “company” means any body corporate;
 “shares” includes stock and the reference to shares in a company includes a reference to securities issued by a company.
- (9) For the purposes of this section, the question whether any person is connected with another shall be determined in accordance with the provisions of [^{F1}section 1122 of the Corporation Tax Act 2010].
- (10) This section shall be construed as one with the ^{M1}Stamp Act 1891.
- (11) This section applies to instruments executed on or after 28th March 2000.
- (12) But this section does not apply to an instrument giving effect to a contract made on or before 21st March 2000, unless—
 (a) the instrument is made in consequence of the exercise after that date of any option, right of pre-emption or similar right; or
 (b) the instrument transfers the property in question to, or vests it in, a person other than the purchaser under the contract, because of an assignment (or, in Scotland, assignation) or further contract made after that date.
- (13) This section shall be deemed to have come into force on 28th March 2000.

Textual Amendments

F1 Words in s. 119(9) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 311** (with Sch. 2)

Marginal Citations

M1 1891 c. 39.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2000, Section 119.