



Finance Act 2016

2016 CHAPTER 24

PART 9

OTHER TAXES AND DUTIES

Stamp duty and stamp duty reserve tax

138 Stamp duty: transfers to depositaries or providers of clearance services

(1) Part 3 of FA 1986 (stamp duty) is amended as follows.

(2) In section 67 (depository receipts)—

(a) in subsection (2), for the words from “1.5% of” to the end substitute “1.5% of—

(a) the amount or value of the consideration for the sale to which the instrument gives effect, or

(b) where subsection (2A) applies—

(i) the amount or value of the consideration for the sale to which the instrument gives effect, or

(ii) if higher, the value of the securities at the date the instrument is executed.”,

(b) after subsection (2) insert—

“(2A) This subsection applies where the instrument transferring the securities is executed pursuant to—

(a) the exercise of an option to buy or to sell the securities, and

(b) either—

(i) a term of the option which provides for the securities to be transferred to the person falling within subsection (6), (7) or (8), or

(ii) a direction, given by or on behalf of the person entitled or bound to acquire the securities pursuant to

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the exercise of the option, for the securities to be so transferred.”, and

- (c) in subsection (3), for “In any other case” substitute “ If stamp duty is not chargeable on the instrument under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) ”.
- (3) In section 69 (depository receipts: supplementary), in subsection (4), for “section 67(3)” substitute “ section 67(2)(b)(ii) and (3) ”.
- (4) In section 70 (clearance services)—
- (a) in subsection (2), for the words from “1.5% of” to the end substitute “1.5% of—
 - (a) the amount or value of the consideration for the sale to which the instrument gives effect, or
 - (b) where subsection (2A) applies—
 - (i) the amount or value of the consideration for the sale to which the instrument gives effect, or
 - (ii) if higher, the value of the securities at the date the instrument is executed.”,
 - (b) after subsection (2) insert—

“(2A) This subsection applies where the instrument transferring the securities is executed pursuant to—

 - (a) the exercise of an option to buy or to sell the securities, and
 - (b) either—
 - (i) a term of the option which provides for the securities to be transferred to the person falling within subsection (6), (7) or (8), or
 - (ii) a direction, given by or on behalf of the person entitled or bound to acquire the securities pursuant to the exercise of the option, for the securities to be so transferred.”, and
 - (c) in subsection (3), for “In any other case” substitute “ If stamp duty is not chargeable on the instrument under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) ”.
- (5) In section 72 (clearance services: supplementary), in subsection (2), for “section 70(3)” substitute “ section 70(2)(b)(ii) and (3) ”.
- (6) The amendments made by this section have effect in relation to an instrument which transfers securities pursuant to the exercise of an option where—
- (a) the option was granted on or after 25 November 2015, and
 - (b) the option was exercised on or after 23 March 2016.

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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. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)