



Finance Act 2019

2019 CHAPTER 1

PART 2

OTHER TAXES

Stamp duty and SDRT

47 Stamp duty: transfers of listed securities and connected persons

- (1) This section applies if—
- an instrument transfers listed securities to a company or a company's nominee (whether or not for consideration), and
 - the person transferring the securities is connected with the company or is the nominee of a person connected with the company.
- (2) “Listed securities” are stock or marketable securities which are regularly traded on—
- a regulated market,
 - a multilateral trading facility, or
 - a recognised foreign exchange,
- and expressions used in paragraphs (a) to (c) have the same meaning as in section 80B of FA 1986 (intermediaries: supplementary).
- (3) For the purposes of the enactments relating to stamp duty—
- in a case where listed securities are transferred for consideration which consists of money or any stock or security, or to which section 57 of the Stamp Act 1891 applies, the amount or value of the consideration is to be treated as being equal to—
 - the amount or value of the consideration for the transfer, or
 - if higher, the value of the listed securities;
 - in any other case, the transfer of listed securities effected by the instrument is to be treated as being for an amount of consideration in money equal to the value of the listed securities.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Cross Heading: Stamp duty and SDRT. (See end of Document for details)

- (4) For the purposes of subsection (3)—
- (a) “the enactments relating to stamp duty” means the Stamp Act 1891 and any enactment amending that Act or that is to be construed as one with that Act, and
 - (b) the value of listed securities is to be taken to be the price which they might reasonably be expected to fetch on a sale in the open market at the date the instrument is executed.
- (5) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.
- (6) The Treasury may by regulations made by statutory instrument provide for this section not to apply in relation to particular cases.
- (7) Regulations under subsection (6) may have effect in relation to instruments executed before the regulations come into force.
- (8) A statutory instrument containing regulations under subsection (6) is subject to annulment in pursuance of a resolution of the House of Commons.
- (9) This section is to be construed as one with the Stamp Act 1891.
- (10) This section has effect in relation to instruments executed on or after 29 October 2018.

[^{F1}47A Stamp duty: transfers of unlisted securities and connected persons

- (1) This section applies if—
- (a) an instrument transfers unlisted securities to a company or a company’s nominee for consideration,
 - (b) the person transferring the securities is connected with the company or is the nominee of a person connected with the company, and
 - (c) some or all of the consideration consists of the issue of shares.
- (2) In this section “unlisted securities” means stock or marketable securities that are not listed securities within the meaning of section 47 (stamp duty: transfers of listed securities and connected persons).
- (3) For the purposes of the enactments relating to stamp duty the amount or value of the consideration is to be treated as being equal to—
- (a) the amount or value of the consideration for the transfer, or
 - (b) if higher, the value of the unlisted securities.
- (4) For the purposes of subsection (3) “the enactments relating to stamp duty” means the Stamp Act 1891 and any enactment amending that Act or that is to be construed as one with that Act.
- (5) For the purposes of this section—
- (a) the value of unlisted securities is to be taken to be the market value of the securities at the date the instrument is executed;
 - (b) “market value” has the same meaning as in TCGA 1992 and is to be determined in accordance with sections 272 and 273 of that Act (valuation).
- (6) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Cross Heading: Stamp duty and SDRT. (See end of Document for details)

- (7) This section is to be construed as one with the Stamp Act 1891.
- (8) This section has effect in relation to instruments executed on or after the date on which FA 2020 is passed.]

Textual Amendments

F1 S. 47A inserted (22.7.2020) by Finance Act 2020 (c. 14), s. 77

48 SDRT: listed securities and connected persons

- (1) This section applies if a person is connected with a company and—
- (a) the person or the person's nominee agrees to transfer listed securities to the company or the company's nominee (whether or not for consideration), or
 - (b) the person or the person's nominee transfers such securities to the company or the company's nominee for consideration in money or money's worth.
- (2) “Listed securities” are chargeable securities which are regularly traded on—
- (a) a regulated market,
 - (b) a multilateral trading facility, or
 - (c) a recognised foreign exchange,
- and expressions used in paragraphs (a) to (c) have the same meaning as in section 88B of FA 1986 (intermediaries: supplementary).
- (3) For the purposes of stamp duty reserve tax chargeable under section 87 of FA 1986 (the principal charge)—
- (a) in a case where the agreement is one to transfer listed securities for consideration in money or money's worth, the amount or value of the consideration is to be treated as being equal to—
 - (i) the amount or value of the consideration for the transfer, or
 - (ii) if higher, the value of the listed securities at the time the agreement is made;
 - (b) in any other case, the agreement to transfer listed securities is to be treated as being one for an amount of consideration in money equal to the value of the listed securities at the time the agreement is made.
- (4) Subsection (5) has effect for the purposes of stamp duty reserve tax chargeable under section 93 (depository receipts) or 96 (clearance services) of FA 1986.
- (5) If the amount or value of the consideration for any transfer of listed securities is less than the value of those securities at the time they are transferred, the transfer is to be treated as being for an amount of consideration in money equal to that value.
- (6) For the purposes of this section, the value of listed securities at any time is the price which they might reasonably be expected to fetch on a sale in the open market at that time.
- (7) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.
- (8) The Treasury may by regulations made by statutory instrument provide for this section not to apply in relation to particular cases.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Cross Heading: Stamp duty and SDRT. (See end of Document for details)

- (9) Regulations under subsection (8) may have effect in relation to transactions entered into before the regulations come into force.
- (10) A statutory instrument containing regulations under subsection (8) is subject to annulment in pursuance of a resolution of the House of Commons.
- (11) This section is to be construed as one with Part 4 of FA 1986.
- (12) This section has effect—
 - (a) in relation to the charge to tax under section 87 of FA 1986 where—
 - (i) the agreement to transfer securities is conditional and the condition is satisfied on or after 29 October 2018, or
 - (ii) in any other case, the agreement is made on or after that date;
 - (b) in relation to the charge to tax under section 93 or 96 of that Act, where the transfer is on or after 29 October 2018 (whenever the arrangement was made).

[^{F2}48A SDRT: unlisted securities and connected persons

- (1) This section applies if a person is connected with a company and—
 - (a) the person or the person’s nominee—
 - (i) agrees to transfer unlisted securities to the company or the company’s nominee for consideration in money or money’s worth, or
 - (ii) transfers such securities to the company or the company’s nominee for consideration in money or money’s worth, and
 - (b) some or all of the consideration consists of the issue of shares.
- (2) In this section “unlisted securities” means chargeable securities that are not listed securities within the meaning of section 48 (SDRT: listed securities and connected persons).
- (3) For the purposes of stamp duty reserve tax chargeable under section 87 of FA 1986 (the principal charge), the amount or value of the consideration is to be treated as being equal to—
 - (a) the amount or value of the consideration for the transfer, or
 - (b) if higher, the market value of the unlisted securities at the time the agreement is made.
- (4) Subsection (5) has effect for the purposes of stamp duty reserve tax chargeable under section 93 of FA 1986 (depository receipts) or section 96 of that Act (clearance services).
- (5) If the amount or value of the consideration for any transfer of unlisted securities is less than the value of those securities at the time they are transferred, the transfer is to be treated as being for an amount of consideration in money equal to that value.
- (6) For the purposes of this section—
 - (a) the value of unlisted securities is to be taken to be their market value;
 - (b) “market value” has the same meaning as in TCGA 1992 and is to be determined in accordance with sections 272 and 273 of that Act (valuation).
- (7) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.

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- (8) This section is to be construed as one with Part 4 of FA 1986.
- (9) This section has effect—
- (a) in relation to the charge to tax under section 87 of FA 1986 where—
 - (i) the agreement to transfer securities is conditional and the condition is satisfied on or after the relevant date, or
 - (ii) in any other case, the agreement is made on or after that date;
 - (b) in relation to the charge to tax under section 93 or 96 of that Act, where the transfer is on or after the relevant date (whenever the arrangement was made).

In this subsection “the relevant date” is the day on which FA 2020 is passed.]

Textual Amendments

F2 S. 48A inserted (22.7.2020) by [Finance Act 2020 \(c. 14\)](#), s. 78

49 Stamp duty: exemption in respect of financial institutions in resolution

- (1) In FA 1986, after section 85 insert—

“Resolution of financial institutions

85A Resolution of financial institutions

- (1) Stamp duty is not chargeable on the transfer of stock or marketable securities by—
- (a) an instrument listed in subsection (2), or
 - (b) an instrument made under an instrument listed in subsection (2).
- (2) The instruments are—
- (a) a mandatory reduction instrument made in accordance with section 6B of the Banking Act 2009 (mandatory write-down, conversion etc of capital instruments),
 - (b) a share transfer instrument or property transfer instrument made in accordance with section 12(2) of that Act (transfer to a bridge bank),
 - (c) a property transfer instrument made in accordance with section 12ZA(3) of that Act (transfer to asset management vehicle),
 - (d) a resolution instrument made in accordance with section 12A of that Act (bail-in),
 - (e) a share transfer order or share transfer instrument made in accordance with section 13(2) of that Act (share transfer),
 - (f) a supplemental share transfer instrument made in accordance with section 26 of that Act, where the original instrument was made in accordance with section 12(2) or 13(2) of that Act,
 - (g) a supplemental share transfer order made in accordance with section 27 of that Act,
 - (h) a property transfer instrument made in accordance with section 41A(2) of that Act (transfer of property subsequent to resolution instrument),

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- (i) a supplemental property transfer instrument made in accordance with section 42(2) of that Act where the original instrument was made in accordance with section 12(2), 12ZA(3) or 41A(2) of that Act,
 - (j) a bridge bank supplemental property transfer instrument made in accordance with section 44D(2) of that Act,
 - (k) a property transfer order made in accordance with section 45(2) of that Act,
 - (l) a supplemental resolution instrument made in accordance with section 48U(2) of that Act,
 - (m) an onward transfer resolution instrument made in accordance with section 48V of that Act in the circumstances set out in subsection (3),
 - (n) an order under section 85 of that Act (temporary public ownership: building societies), or
 - (o) a third-country instrument made in accordance with section 89H(2) or 89I(4) of that Act.
- (3) The circumstances referred to in subsection (2)(m) are that the transfer—
- (a) is to a person within section 67(6), (7) or (8) or section 70(6), (7) or (8) of this Act (depository receipt issuers, clearance services), and
 - (b) is made by way of compensation to a creditor of the financial institution in respect of which the original instrument (within the meaning of section 48V of the Banking Act 2009) was made.
- (4) References in this section to a provision of the Banking Act 2009 include references to that provision as applied by or under any other provision of that Act (including where it is applied with modifications or in a substituted form).”
- (2) The amendment made by this section has effect in relation to instruments—
- (a) within section 85A(2) of FA 1986, or
 - (b) made under an instrument within section 85A(2) of FA 1986,
- which are executed on or after the day on which this Act is passed.

50 Stamp duty and SDRT: exemptions in respect of share incentive plans

- (1) In section 95 of FA 2001 (exemptions in relation to approved share incentive plans)—
- (a) in subsections (1) and (2), and in the heading, omit “approved”, and
 - (b) in subsection (3), for “an approved share incentive plan” substitute “ a Schedule 2 SIP ”.
- (2) The amendments made by subsection (1) are to be treated as having effect from 6 April 2014.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2019, Cross Heading:
Stamp duty and SDRT.