

1 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 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.