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Finance Act, 2008

Section 154 - Stamp duty and stamp duty reserve tax: alternative finance investment bonds

1) FA 1986 is amended as follows. (2) In section 78(7) (stamp duty: loan capital), after paragraph (c) insert- "(d) any capital raised under arrangements which fall within section 48A of the Finance Act 2005 (alternative finance investment bonds)." (3) In section 79 (loan capital: instruments not chargeable to stamp duty), after subsection (8) insert- "(8A) In the application of this section to loan capital that falls within paragraph (d) of section 78(7) (alternative finance investment bonds)- (a) subsection (6) has effect as if- (i) paragraph (a) were omitted, and (ii) for paragraph (c) there were substituted- "(c) a right at the end of the bond term (within the meaning of section 48A(1) of the Finance Act 2005) to a payment of an amount that exceeds the aggregate of- (b) subsections (6)(b), (7), (7A), (7B) and (13) have effect as if references to interest were references to additional payments ("additional payments" having the same meaning as in section 48A of the Finance Act 2005), and (c) subsections (7B) and (13) also have effect as if- (i) references to a capital market investment were references to the loan capital falling within paragraph (d) of section 78(7), and (ii) references to a capital market arrangement were to the arrangements under which that loan capital is raised." (4) In section 99 (stamp duty reserve tax: interpretation), after subsection (9) insert- "(9A) But "unit trust scheme" does not include arrangements falling within section 48A of the Finance Act 2005 (alternative finance investment bonds)." (5) The amendments made by subsections (2) and (3) have effect in relation to instruments executed on or after the day on which this Act is passed (and for this purpose it does not matter when the arrangements falling within section 48A of FA 2005 are made). (6) The amendment made by subsection (4) has effect in relation to- (a) agreements to transfer chargeable securities made on or after the day on which this Act is passed, and (b) the transfer, issue or appropriation of chargeable securities after that day in pursuance of an agreement made after that day; (and for this purpose it does not matter when the arrangements falling within section 48A of FA 2005 are made).

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