

Relief for member firms. FA1996 s107(1) to (4) 75.—(1) Stamp duty shall not be chargeable on any instrument of transfer whereby any securities are on the sale of such securities transferred to a member firm acting on its own behalf in the ordinary course of that member firm's business or to a nominee of such member firm.

(2) Notwithstanding subsection (1)—

(a) if and to the extent that the member firm does not transfer the securities referred to in subsection (1) to a bona fide purchaser before the expiration of the period of one month from the date of transfer, in this section referred to as “the specified period”, the member firm shall pay to the Commissioners within 14 days after the expiration of the specified period the amount of ad valorem duty which would have been chargeable on the transfer if this section had not been enacted;

(b) the member firm may, in relation to any such sale with a completion date not later than 30 days from the date of the contract for sale and prior to the date of the contract, elect to have such completion date treated as the date of the second-mentioned transfer referred to in paragraph (a) and, in that event, that completion date shall be deemed, for the purposes of paragraph (a), to be the date of that second-mentioned transfer.

(3) If any member firm fails to pay any sum due to the Commissioners under subsection (2), that sum, together with interest on that sum at the rate of 1 per cent per month or part of a month from the first day after the expiration of the specified period to the date of payment of that sum and, by means of further penalty, a sum equal to 1 per cent of the duty for each day the duty remains unpaid, shall be recoverable from the member firm as a debt due to the Minister for the benefit of the Central Fund.

(4) Where subsection (1) applies in relation to a transfer of securities to a member firm, the member firm shall within 30 days of the end of the relevant period within which the transfer is made deliver to the Commissioners a statement in writing or in such other manner as the Commissioners may agree to in writing—

(a) showing in respect of each such transfer—

(i) full details in relation to the type, nominal value, description and amount of the securities comprised in the transfer;

(ii) what part (if any) of the securities comprised in the transfer has been transferred by the member firm to a bona fide purchaser within the specified period and what part of the securities has not been so transferred;

(iii) the date of the transfer and, if any part of the securities has been transferred to a bona fide purchaser within the specified period, the date on which that part was so transferred;

(iv) the amount of stamp duty (if any) payable by virtue of subsection (2) and the date of payment;

(b) certifying in respect of each such transfer that—

(i) the member firm was acting on its own behalf in the ordinary course of its business, and

(ii) any securities transferred in respect of which the stamp duty has not been paid were transferred on sale to a bona fide purchaser within the period of one month after the date of the transfer,

and shall produce such further evidence by means of statutory declaration or otherwise in relation to the matters set out in paragraphs (a) and (b) as the Commissioners require.

(5) A member firm which fails to deliver a statement within the period specified in subsection (4) shall be liable to a penalty of £1,000.