

Security for future advances, how to be charged. SA1891 s88 58.—(1) A security for the payment or repayment of money to be lent, advanced, or paid, or which may become due on an account current, either with or without money previously due, shall be charged, where the total amount secured or to be ultimately recoverable is in any way limited, with the same duty as a security for the amount so limited.

(2) Where such total amount is unlimited, the security shall—

(a) if unstamped, or if stamped with ad valorem duty to cover an amount not exceeding £20,000, be available only for £20,000, and

(b) if stamped with ad valorem duty to cover an amount exceeding £20,000, be available for such amount only,

but where any advance or loan is made in excess of £20,000 or such greater amount as may be covered by that duty, the security shall, for the purpose of stamp duty, be deemed to be a new and separate instrument, executed on the day on which the advance or loan is made.

(3) Notwithstanding subsections (1) and (2), no money to be advanced for the insurance of any property comprised in the security against damage by fire, or for keeping up any policy of life insurance comprised in the security, or for effecting in lieu of the policy of life insurance comprised in the security any new policy, or for the renewal of any grant or lease of any property comprised in the security on the dropping of any life on which the property is held, shall be reckoned as forming part of the amount in respect of which the security is chargeable with ad valorem duty.