Finance Act (Northern Ireland) 1954

1954 CHAPTER 23

An Act to amend the law relating to estate duty, stamp duties and entertainments duty, and to make further provision in connection with finance. [29th October 1954]

Part I (ss. 1#8)—Estate Duty

PART II

STAMP DUTIES

S. 9 rep. by 1985 c. 54

S. 10 rep. by 1958 c. 14 (NI)

11 Relief from stamp duty in case of transfer of property between associated companies.

(1) Stamp duty shall not be chargeable under or by reference to**[**F1 Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)**]**, on any instrument to which this section applies.

(2) This section applies to any instrument as respects which it is shown to the satisfaction of the Ministry F2 that—

(a) the effect thereof is to convey or transfer, or demise for any term exceeding one hundred years, a beneficial interest in property from one [F3 body corporate] (in this section referred to as "the transferor") to another [F3 body corporate] associated therewith (in this section referred to as "the transferee"); and

Para. (b) rep. by 1968 c. 17 (NI)

(c) the instrument was not executed in pursuance of or in connection with an arrangement whereunder—

(i) the consideraton [F4 or any part of the consideration] for the conveyance, transfer or lease was to be provided [F4 or received] directly or indirectly by a person other than a [F3 body corporate]

Changes to legislation: *There are currently no known outstanding effects for the Finance Act (Northern Ireland) 1954. (See end of Document for details)*

which at the time of the execution of the instrument was associated with either the transferor or the transferee; or

(ii) the beneficial interest in the property was previously conveyed, transferred or demised directly or indirectly by such a person as aforesaid [F5; or

(iii) the transferor and the transferee were to cease to be associated by reason of[F6 the transferor or a third body corporate ceasing to be the transferee's parent];

and, without prejudice to the generality of sub-paragraph (i), an arrangement shall be treated as within that sub-paragraph if it is one whereunder the transferor or the transferee, or a body corporate associated with either, was to be enabled to provide any of the consideration, or was to part with any of it, by or in consequence of the carrying out of a transaction or transactions involving, or any of them involving, a payment or other disposition by a person other than a body corporate so associated].

[F7(2A) But this section does not apply to an instrument by virtue of subsection (2)(a) if, at the time the instrument is executed, arrangements are in existence by virtue of which at that or some later time any person has or could obtain, or any persons together have or could obtain, control of the transferee but not of the transferor.]

[F6(3) For the purposes of this section a body corporate is associated with another body corporate at a particular time if at that time one is the parent of the other or another body corporate is the parent of each.

(3AA) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body

[F7(a)] is beneficial owner of not less than 75 per cent. of the ordinary share capital of the second body.

[F7(b) is beneficially entitled to not less than 75 per cent of any profits available for distribution to equity holders of the second body; and

(c) would be beneficially entitled to not less than 75 per cent of any assets of the second body available for distribution to its equity holders on a winding-up.]]

F8(3A) The ownership referred to in[F7 paragraph (a) of][F6 subsection (3AA)] is ownership either directly or through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate, and Part I of Schedule 4 to the Finance Act 1938 (determination of amount of capital held through other bodies corporate) shall apply for the purposes of[F7 that paragraph][F6. . . .]

[F6(3AB) In this section "ordinary share capital" , in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.]

Subs. (3B) rep. by 1968 c. 17 (NI)

(4) An instrument to which this section applies shall not be deemed to be duly stamped unless either—

(a) it is stamped with the stamp duty to which it would but for this section be liable; or

(b) it has in accordance with the provisions of section twelve of the Stamp Act, 1891 , been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped.

***Changes to legislation:** There are currently no known outstanding effects for the Finance Act (Northern Ireland) 1954. (See end of Document for details)*

Subs. (5) repeals s. 2 of 1954 c. 3 (NI)

[F7(6) **[**F9Chapter 6 of Part 5 of the Corporation Tax Act 2010**]** shall apply for the purposes of paragraphs (b) and (c) of subsection (3AA) as it applies for the purposes of **[**F10section 151(4)(a) and (b)**]** of that Act; but this is subject to subsection (7).

(7) In determining for the purposes of this section whether a body corporate is the parent of the transferor, **[**F11sections 171(1)(b) and (3), 173, 174 and 176 to 178 of the Corporation Tax Act 2010**]** shall not apply for the purposes of paragraph (b) or (c) of subsection (3AA).

(8) In this section, "control" shall be construed in accordance with **[**F12section 1124 of the Corporation Tax Act 2010**].]**

F1 1999 c. 16
F2 i.e. M/Fin., whose functions were transf. to Commrs. of Inland Revenue, SI 1973/2163
F3 1967 c. 20 (NI)
F4 1968 c. 17 (NI)
F5 1968 c. 17 (NI)
F6 1995 c. 4
F7 2000 c. 17
F8 1967 c. 20 (NI)
F9 Words in s. 11(6) substituted (1.4.2010 with effect as mentioned in s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), ss. 1177, 1184(1), **Sch. 1 para. 151(2)(a)** (with Sch. 2)
F10 Words in s. 11(6) substituted (1.4.2010 with effect as mentioned in s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), ss. 1177, 1184(1), **Sch. 1 para. 151(2)(b)** (with Sch. 2)
F11 Words in s. 11(7) substituted (1.4.2010 with effect as mentioned in s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), ss. 1177, 1184(1), **Sch. 1 para. 151(3)** (with Sch. 2)
F12 Words in s. 11(8) substituted (1.4.2010 with effect as mentioned in s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), ss. 1177, 1184(1), **Sch. 1 para. 151(4)** (with Sch. 2)

PART III

ENTERTAINMENTS DUTY

Ss. 12#14 rep. by 1957 c. 15 (NI)

S. 15 rep. by 1961 c. 10 (NI)

PART IV

GENERAL

S. 16 rep. by SLR 1973

17 Short title and construction.

(1) This Act may be cited as the Finance Act (Northern Ireland), 1954.

Subs. (2)—Estate Duty

(3) Part II of this Act shall be construed as one with the Stamp Act, 1891.