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THE GOVERNOR directs the publication of the following Bill which it is proposed to introduce at the forthcoming Autumn Session of the Legislative Council, entitled "A Law to Impose Stamp Duties," together with a Memorandum of Objects and Reasons for the Bill.

A BILL

ENTITLED

A LAW to Impose Stamp Duties.

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BE it enacted by the Governor and Legislative Council of Jamaica, as follows:—

1—This Law may be cited as the Stamp Duty Law Short Title. 1935.

2—From and after the coming into operation of this Law there shall be raised, for the use of the Government of this island, upon and in respect of the several instruments mentioned in Schedule B hereto, the several duties therein respectively specified: Provided, however, that nothing herein contained shall extend, or be deemed or construed to extend to charge with Stamp Duty, any instrument which by any act or law heretofore passed and in force at the time of the coming into operation of this Law, is expressly exempted from Stamp Duty.

Duties in Schedule B raised after Law in force.

MEMORANDUM OF OBJECTS AND REASONS.

The object of the Bill is to repeal all Laws relating to Stamp Duty and to substitute for those Laws the provisions of the proposed measure. The Bill re-enacts the provisions of the repealed Laws with certain amendments.

Sub-clause (2) of Clause 16 is new. The Sub-clause requires every Insurance Company to keep a record of the policy moneys payable on the death of any person and to make quarterly returns containing the specified particulars. The reason for the provision is that certain Insurance Companies abroad are in the habit of paying life policy moneys to beneficiaries named in the policies irrespective of grant of Probate or Letters of Administration. The practice results, or may result, in loss of estate duty.

Clause 56 is new in the sense that provision is now made for the inclusion of "share certificate" and "share" for Stamp Duty purposes. The old section covered only "scrip." In the section has been inserted "share certificate" and "share" thereby rendering those two documents liable to Stamp Duty. At present some companies claim that their shares not being scrip are not liable to Stamp Duty under the present Law. Other companies pay on their shares the duty attached to scrip. The intention of the Law was to attach the duty whether the document is a share or scrip and this proposed provision will effect the original purpose. In this connection reference should be made to the item "shares" in the Schedule. That portion of the item which deals with Assignments of shares is new. The old item contained a provision that where the consideration was nominal a Stamp Duty of 2/6 should be collected. The result has been that in practice a nominal consideration has been declared and 2/6 paid whatever the transaction. Loss of revenue has resulted and it is now proposed to provide for payment of a specific duty in every case whether the transaction be sale, mortgage, settlement, or any other.

From Clause 61 which is a combination of Section 54 of Law 40 of 1903 and Section 11 of Law 17 of 1910 the proviso, which declared that spoilt stamps should not be exchanged in amounts of less than five shillings and only on Mondays and Fridays, is omitted. The proviso has not been observed for the last twenty years.

In Clause 67 which is a re-enactment of Section 60 of Law 40 of 1903 the words "or payment" have been included so as to make it quite clear that the Revenue Commissioner has power to refund Stamp Duty in case of any mistake in a voluntary payment by the public.

Clause 68: This Clause is quite new. It imposes a Stamp Duty on hire purchase agreements. These agreements have always been charged with a 6d. Stamp Duty, but doubts have arisen as to whether they are not exempted having regard to the wording of the second exemption under Head Exemption (Agreement). Clause 68 is taken from the Finance Act 1907, s.7, and the exemption in the Schedule recast. Accordingly the duty will be payable in the future beyond any doubt.

Clause 72: This Clause is new. It is drafted in order to give effect to the recommendations of the International Convention on Stamp Laws 1931 (Geneva) and the International Convention on Stamp Laws in connection with Bills of Exchange and Promissory Notes 1930 (Geneva). The Conventions recommended that the contracting parties should amend their Laws so that the validity of obligations arising out of a cheque, Bill of Exchange, or Promissory Note, or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

SCHEDULE B.

AGREEMENTS:

Co-partnership created by letting of land.

This item is new. A Stamp Duty of 6d. is imposed. Many landlords now hire out lands to be cultivated on a partnership basis which makes the agreement liable to a Stamp Duty of 30/- under the head "Co-partnership." The duty being so high the document is omitted to be stamped and thus all stamp duty is evaded.

LEASES:

Formerly leases which reserved a yearly rent of £1, or less, were free. Now it is proposed that 1d. Stamp Duty shall be paid.

MORTGAGE:

2nd Item Debenture—

This is new. The Law of 1903 as amended by Section 21 of Law 17 of 1910 intended to impose a Stamp Duty on Debentures whether those debentures constitute a mortgage or are merely an acknowledgment of a debt. As the amendment was worded the debenture Stamp Duty could only be imposed when the debenture constituted a mortgage. They are stamped with the deed Stamp Duty of 15/-. The present provision is for the purpose of imposing the mortgage Stamp Duty whether a charge against property is created or not.

POLICIES:

The exemption of motor cars and passengers' baggage is invited in the first paragraph of this item as a special rate of 6d. is fixed in the last paragraph under this Head. Formerly all policies of indemnity for loss or damage to any property other than by fire bore a 6d. Stamp Duty.

SETTLEMENTS:

Exemption C.

The words "in respect of which ad valorem settlement duty has been paid" have been inserted to prevent the person handing over property to another on a parol settlement and then obtaining from the latter a declaration of trust with a view to claiming exemption under the section. In a recent case Government lost a considerable sum of money.

GENERAL EXEMPTION FROM ALL STAMP DUTIES:

The last three paragraphs are new. It is proposed to exempt from all Stamp Duty all bonds or mortgages issued or entered into by or with an Agricultural Loan Society or Provident Society, also receipts given by or to a liquidator of a Provident Society or a Receiver appointed under the Law 11/1933.

M. V. CAMACHO,
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13.8.35.