



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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STAMP DUTY (AMENDMENT)  
ACT, No. 71 OF 1988

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[Certified on 17th December 1988]

*Printed on the Orders of Government*

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[Certified on 17th December, 1988]

AN ACT TO AMEND THE STAMP DUTY ACT, NO. 43 OF 1982

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Stamp Duty (Amendment) Act, No. 71 of 1988. Short title.
  
2. Section 2 of the Stamp Duty Act, No. 43 of 1982 (hereinafter referred to as “the principal enactment”) is hereby amended in paragraph (b) of that section, by the substitution, for the words “admiralty proceedings instituted in the High Court;”, of the words “admiralty or civil proceedings instituted in the High Court or civil proceedings instituted in any other court created or established by law;”. Amendment of section 2 of Act No. 43 of 1982.
  
3. Section 4 of the principal enactment is hereby amended by the substitution for the words “of any instrument” wherever those words appear in that section, of the words “of any instrument or document”. Amendment of section 4 of the principal enactment.
  
4. Section 5 of the principal enactment is hereby amended as follows:—
  - (i) in paragraph (12) of that section, by the substitution for the words “instrument executed by”, of the words “instrument, other than an application for a letter of credit made to an approved credit agency, trust receipt or a letter of trust or declaration of a trust in respect of corporal movables in favour of any such agency or any contract mentioned in paragraph (ee) of section 24, executed by,”;
  - (ii) in paragraph (14) of that section, by the insertion immediately after sub-paragraph (e) of that paragraph of the following paragraphs:—

“(ee) all documents filed by or on behalf of any person, who is certified by a prescribed officer as suing, defending or intervening with legal aid provided under The Legal Aid Law, No. 27 of 1978;Amendment of section 5 of the principal enactment.

(eee) all documents filed in any court by, or on behalf of any person claiming damages arising from death or damage caused by a motor vehicle.; and

(iii) by the addition immediately after paragraph (21) of that section of the following paragraph :—

“(22) instrument executed in pursuance of the provisions of the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987.”.

Replace-  
ment of  
section 7  
of the  
principal  
enactment.

5. Section 7 of the principal enactment is hereby repealed and the following new section substituted therefor :—

“Cancell-  
ation of  
adhesive  
stamps.

7. (1) Where the payment of stamp duty with which an instrument is chargeable is indicated by means of an adhesive stamp the person executing such instrument or in the case of a notarially executed instrument, the notary and the person or any one of the persons executing such instrument shall cancel the stamp by writing his name or their names respectively across and initialling it in ink so as not to admit of it being used again.

(2) Where an instrument executed outside Sri Lanka has been duly stamped, a person referred to in section 25 (2) shall cancel the adhesive stamp affixed on such instrument by writing his name across and initialling it in ink so as not to admit of it being used again.

(3) Where an instrument bears an adhesive stamp of the value of fifty rupees or more such stamp, shall, in addition to the writing referred to in subsection (1) or (2), be cancelled by cutting it with a prick, punch, cutter or nipper.

(4) Any instrument bearing an adhesive stamp which has not been cancelled in the manner set out in subsections (1), (2) or (3) shall be deemed to be unstamped to the extent of the value of that stamp.”.

Amendment  
of section  
12 of the  
principal  
enactment.

6. Section 12 of the principal enactment is hereby amended by the substitution for the words “stamp or stamps of one rupee”, of the words “stamp or stamps to the value of one rupee”.

7. Section 13 of the principal enactment is hereby amended as follows :—

Amendment  
of section  
13 of the  
principal  
enactment.

(1) in subsection (1) of that section—

(a) by the substitution in paragraph (e), for the words, “the High Court, or a District Court,” of the words, “the High Court, a District Court or any other court created or established by law”; and

(b) by the substitution, for the words, “cheque drawn and issued on forms supplied” wherever those words appear in that subsection, of the words, “cheque forms supplied”;

(2) by the insertion immediately after subsection (4) of that section of the following subsection :—

“(4A) Where the payment of stamp duty payable on shares or debenture stock issued by a company has been compounded under this section, the principal officer of such company authorized under subsection (1), shall endorse on each such share, or debenture certificate the amount of stamp duty payable on such share or debenture certificate and that the payment of such stamp duty has been compounded in accordance with this section.”;

(3) in subsection (5) of that section, by the substitution, for the words, “the High Court or a District Court”, of the words, “the High Court, a District Court or any other court created or established by law”.

8. Section 14 of the principal enactment is hereby amended in subsection (1) of that section :—

Amendment  
of section  
14 of the  
principal  
enactment.

(i) by the substitution in paragraph (a) thereof for the words “or a District Court; or”, of the words “or the High Court or a District Court or any other court created or established by law; or”;

(ii) by the insertion immediately after sub-paragraph (ii) of that subsection of the following sub-paragraph :—

“(iia) be the net value of the estate, in the case of applications for probate or letters of administration in respect of the estate of a deceased person;”.

Amendment  
of  
section  
15 of the  
principal  
enactment.

9. Section 15 of the principal enactment is hereby amended by the addition immediately after subsection (3) of that section, of the following new subsection :—

“ (4) Where any property transferred consists of shares of a company the stamp duty with which the instrument of transfer is chargeable shall be calculated :—

(a) where such transfer is by way of gift, on the value of the shares on the date of transfer ;

(b) where such transfer is by way of sale on the value of such shares on the date on which the offer of the sale is accepted or on the price agreed upon by the parties whichever is higher. ”

Insertion  
of new  
section  
15A in the  
principal  
enactment.

10. The following new section is hereby inserted immediately after section 15 of the principal enactment and shall have effect as section 15A of that enactment :—

“Conversion. 15A. Where any instrument is chargeable with stamp duty in respect of any money expressed in any currency other than that of Sri Lanka, such duty shall be calculated on the value of such money in the currency of Sri Lanka according to the current rate of exchange on the day of the date of the instrument or where the instrument is a bill of exchange, cheque or promissory note drawn, or made, out of Sri Lanka, on the day on which the instrument is stamped in Sri Lanka. ”

Amendment  
of section  
18 of the  
principal  
enactment.

11. Section 18 of the principal enactment is hereby amended in subsection (1) of that section by the substitution for the words “conveyance of property”, of the words “conveyance of movable property”.

Amendment  
of section  
24 of the  
principal  
enactment.

12. Section 24 of the principal enactment is hereby amended by the insertion immediately after paragraph (e) of that section of the following paragraph :—

“ (ee) in the case of a contract entered into, with, or on behalf of, or in favour of the Government for the provision of any services or for the supply of any goods, (including electrical energy), for which payment is made by the Government, by the party entering into such contract with the Government ;”

13. Section 33 of the principal enactment is hereby amended in subsection (1) of that section by the substitution for paragraph (b) of the proviso to that subsection of the following paragraph :—

Amendment of section 33 of the principal enactment.

“ (b) if the stamp duty chargeable on such instrument is five thousand rupees or less be acted upon by the Registrar-General, or any Deputy Registrar-General, or any Assistant Registrar-General authorized by the Registrar-General in that behalf,”.

14. Section 38 of the principal enactment is hereby amended in subsection (1) of that section by the substitution for the words “ a fee of fifty rupees”, of the words “ a fee of two hundred and fifty rupees”.

Amendment of section 38 of the principal enactment.

15. Section 45 of the principal enactment is hereby amended by the repeal of subsection (1) of that section and the substitution therefor of the following subsection :—

Amendment of section 45 of the principal enactment.

“ (1) The duty required to be paid by any notice issued under section 30(1) (b) shall be paid on or before the date specified in such notice, and, where such duty is not paid on or before the date specified therein, such duty together with a penalty equal to ten *per centum* of the duty for every month of non payment shall be deemed to be in default and the person by whom such duty is payable shall be deemed to be a defaulter for the purposes of this Act :

Provided that the total amount payable as penalty shall not exceed fifty *per centum* of the duty in default.”.

16. The following new section is hereby inserted immediately after section 56 of the principal enactment and shall have effect as section 56A of that enactment :—

Insertion of new section 56A in the principal enactment.

“Forging of stamps.

56A. Any person who without lawful authority makes or produces, or assists, in any manner whatsoever, in the making or producing, of any stamp or die or has in his possession, any such dies or any stamp so made or produced shall be guilty of an offence and be liable on conviction after summary trial before a Magistrate to a fine not exceeding five thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.”.

Insertion of new section 59A in the principal enactment.

17. The following new section is hereby inserted immediately after section 59 of the principal enactment and shall have effect as section 59A of that enactment :—

“Non compliance with notice under section 53 or section 64A.

59A. Any person who fails to comply with the requirement of a notice given to him under section 53, or section 64A shall be guilty of an offence and shall be liable on conviction after summary trial before a Magistrate to a fine not exceeding five thousand rupees.”

Insertion of new section 64A of the principal enactment.

18. The following new section is hereby inserted immediately after section 64 of the principal enactment and shall have effect as section 64A of that enactment :—

‘Power to call for information.

64A. (1) The Commissioner-General, a Deputy Commissioner or an Assessor may for the purposes of this Act give notice in writing to any person requiring him to—

- (i) produce, or transmit to him for examination, within the period specified in such notice, any such document or instrument as may be specified in such notice ;
- (ii) furnish any such information as may be specified in such notice ;
- (iii) attend in person, or by authorized representative at such place and on such date and at such time as may be specified in such notice, so that he may be examined on any such matter as may be specified in such notice.

(2) Where notice has been given to any person under subsection (1) requiring him to furnish any information, such person shall comply with such requirements notwithstanding anything to the contrary in any other law prohibiting the furnishing of such information.

(3) Any person who attends in compliance with a notice given under subsection (2) may be allowed by the Commissioner-General, such expenses as are reasonably incurred by him in so attending.

(4) In this section "person" includes a Banker.'

19. Section 71 of the principal enactment is hereby amended by the substitution for the definition of "document", of the following definition :--

Amendment  
of section  
71 of the  
principal  
enactment.

"document" in relation to legal proceedings in any court means an appointment of Attorney, plaint, answer, replication or other pleading, petition, application, affidavit, appointment, summons, judgement, decree, order of any description, award, writ, warrant, inventory, account, mandate, bond recognizance, citation, application other than motion, interrogatories, answer to interrogatories notice of appeal, bill of costs, commission, injunction or notice ;'.