

REPORT OF THE FINANCE COMMITTEE
ON THE STAMP DUTY (AMENDMENT)
BILL

1.0 INTRODUCTION

The Stamp Duty (Amendment) Bill was laid in the House on 13th March, 2008 and referred to the Finance Committee for consideration and report in accordance with article 103 and order no. 169 of the Standing Orders of the House.

To consider the Bill, the Committee met with the Deputy Minister of Finance and Economic Planning, Hon. Prof. George Gyan-Baffour, officials from the Ministry of Finance and Economic Planning and the Internal Revenue Service (IRS) and presents this report.

2.0 OBJECT OF THE BILL

The object of the Bill is to amend the Stamp Duty Act, 2005 (Act 689) with a view to correct some errors contained in the Act. Whilst some of these errors are typographical, others are fundamental and together they have a negative effect on revenue generation.

3.0 CONTENTS OF THE BILL

The Bill contains one clause and a schedule.

Clause 1 seeks to amend sections 10, 16, 17 and 20 of the Stamp Duty Act, 2005 (Act 689). Also, the schedule of the Bill is replacing the FIRST SCHEDULE (Section 1) of Act 689.

4.0 OBSERVATIONS

The Committee observed that stamping serves as official authentication of specified instruments of evidentiary value with certain exceptions. It also serves revenue purposes.

The Committee was informed that the mode of stamping includes the use of adhesives and impressed stamps and that duty may be charged at fixed rates or *ad valorem*.

The Committee observed that the Bill seeks to correct errors in Act 689 which have come about as a result of the wrong placement of words and omissions due to the complex and technical nature of the legislation resulting in uncertainties.

The technical team from the IRS informed the Committee that the effect of the amendments, among other things, would be that once an opinion is expressed by the Commission, the document becomes admissible whether it is stamped as chargeable with duty or stamped as duty having been paid.

The Committee was further informed that "mortgage" is being inserted in *lines one* and *six* of section 17 of Act 689 due to the fact that a mortgage under Ghanaian Law does not convey property to the mortgagee.

5.0 AMENDMENTS PROPOSED

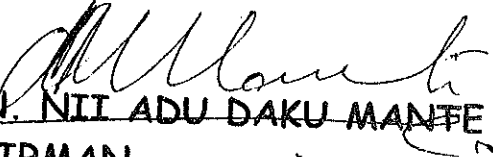
Upon extensive deliberations on the Bill, the Committee respectfully recommends the following amendments to the Bill:

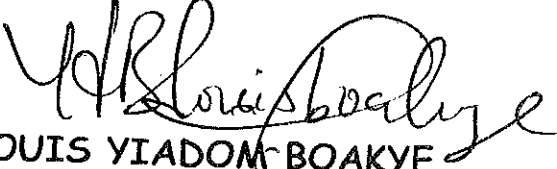
- i. **Clause 1 - Amendment proposed - Delete "SCHEDULE"** appearing in clause 1
- ii. **SCHEDULE - Amendment proposed - Delete "stamped"** appearing in the schedule against section 10 and *insert* "or stamped"
- iii. **SCHEDULE - Amendment proposed - Insert as paragraph (b) in the schedule against section 20 and renumber paragraph (b) as (c)**
 "(b) In subsection 4(d) by the deletion of "expressed" and the insertion of "express"
- iv. **SCHEDULE - Amendment proposed - First schedule, insert "Exemptions" at the top of paragraph (1) relating to Bond given by a public officer.**
- v. **SCHEDULE - Amendment proposed - Delete "execution" appearing in paragraph (1) under "Exemptions" at page 4 relating to Bond given by a public officer and insert "execution"**
- vi. **SCHEDULE - Amendment proposed - Before "FIRST SCHEDULE" appearing in page 2, insert the following:**
 "2. The First Schedule is amended by the substitution of the following new schedule for that schedule."

6.0 CONCLUSION

The Committee has carefully considered the Stamp Duty (Amendment) Bill and respectfully recommends to the House to pass same into Law subject to the amendments proposed.

Respectfully submitted.


HON. NII ADU DAKU MANTE
CHAIRMAN


LOUIS YIADOM-BOAKYE
FOR CLERK, FINANCE COMMITTEE
15TH OCTOBER, 2008.