

[AS REPORTED FROM THE PUBLIC ACCOUNTS COMMITTEE, HOUSE OF REPRESENTATIVES, 9TH SEPTEMBER, 1902.]

Hon. Mr. Carroll.

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A BILL INTITULED

AN ACT to amend "The Stamp Act, 1882."

Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Stamp Act Amendment Act, 1902"; and it shall form part of and be read together with "The Stamp Act, 1882" (hereinafter called "the principal Act").

Short Title.

2. In this Act, if not inconsistent with the context,—

Interpretation.

10 "Buyer" means any person, or a sharebroker acting on behalf of any person, who purchases shares in any mining company:

15 "Contract-note" means a seller's or buyer's contract-note, as the case may be, in the form or to the effect of the *First* Schedule hereto; a seller's contract-note means the note transmitted by a seller to the buyer, and a buyer's contract-note means the note transmitted by a buyer to the seller:

20 "Mining company" means any company formed for mining purposes as defined by "The Mining Companies Act,

1894," whether registered under that Act or "The Companies Act, 1882," and includes companies deemed to be registered under the first-mentioned Act :

"Sale" includes purchase :

"Seller" means any person, or a sharebroker acting on behalf of any person, who sells shares in any mining company : 5

"Shares" includes shares and stock :

"Transmitted" means personal delivery of the contract-note, or delivery at the usual or last known place of business or abode of the person to whom it is addressed, or posting the same to his usual or last known place of business or abode. 10

CONTRACT-NOTES.

Stamped contract-note to be given on sale of shares.

3. (1.) Upon the sale of any shares in a mining company a seller's contract-note, on duly stamped material, shall, within twenty-four hours of the hour of the sale, be transmitted by the seller to the buyer, and a buyer's contract-note shall in like manner be transmitted by the buyer to the seller. 15

(2.) Not more than one sale of shares shall be inserted in any one contract-note, and where shares in two or more mining companies are sold at one time to the same buyer there shall be a separate contract-note in respect of the shares in each company. 20

(3.) The duty on a contract-note under this Act shall be in accordance with the *Second* Schedule hereto, and shall be denoted by an impressed stamp. 25

(4.) A contract-note shall not be stamped after the execution thereof.

(5.) A contract for the sale of shares shall not be valid or enforceable unless the provisions of this section have been duly complied with. 30

(6.) Every person who commits a breach of this section is liable for each offence to a penalty not exceeding *fifty* pounds.

Transfer not to be executed unless contract-note given.

4. Every person who executes a transfer of any share, unless a contract-note of the sale thereof has first been transmitted by him or by some person on his behalf to the buyer, is liable for each offence to a penalty not exceeding *fifty* pounds and not less than *twenty* pounds. 35

Sharebroker no claim for brokerage, &c., unless contract-note given.

5. A sharebroker shall have no claim to any charge for brokerage, commission, or agency on the sale of any shares unless he duly makes, executes, and transmits a duly stamped contract-note for such sale as hereinbefore provided. 40

Stamp duty may be added to brokerage, &c.

6. The duty upon a contract-note paid by a sharebroker on behalf of his principal may be added to his charge for brokerage, commission, or agency.

Copy of contract-note to be kept.

7. Every sharebroker shall keep, for a period of twelve months, a copy, duly filed in order of date, of all buyers' or sellers' contract-notes transmitted by him: Provided that it shall be a sufficient compliance with this section if the sharebroker keeps a book of counterfoils in which is written a duplicate of each contract-note so transmitted. 45

Commissioner's powers to inspect books, &c.

8. The Commissioner, or any officer authorised by him in that behalf, shall at all times have full and free access to all books and papers relating to the sale of shares in the possession of any 50

sharebroker, or of any Stock Exchange of which the sharebroker is a member, or of any mining company; and may make copies thereof or extracts therefrom, and may impound and take possession of any contract-note not duly stamped.

5 9. In all proceedings relating to the sale of shares between a sharebroker and his principal, or other person, nothing in this Act shall exclude any evidence that would be otherwise admissible:

Evidence in proceedings.

10 Provided that the plaintiff shall prove to the satisfaction of the Court that the provisions of section *three* hereof have been duly complied with.

10. (1.) The seller of any shares in a mining company in respect of which there is a liability is entitled to demand in writing from the buyer the name in full of the person on whose account such shares are purchased.

Buyer of shares to disclose name of real purchaser.

15 (2.) If on any such demand the buyer fails to comply with the same for a period of two days from the date of the demand, the seller may insert the buyer's name in the transfer as transferee.

20 11. Every person who commits a breach of any of the foregoing provisions of this Act for which no penalty is elsewhere provided is liable to a penalty not exceeding *ten* pounds.

Penalty on breach of Act.

25 12. In all proceedings against any person for any breach of the foregoing provisions of this Act the onus of proving that such person was exempted from liability to any penalty hereby imposed shall rest upon the defendant, who shall, in all such proceedings, be competent and compellable to give evidence, any law or practice to the contrary notwithstanding.

Onus of proof of exemption.

30 13. Sections one hundred and thirty-one to one hundred and thirty-five and the Third Schedule of the principal Act are hereby repealed so far as the same relate to transfers of shares in mining companies.

Repeal as to mining companies.

SALE OF EQUITABLE INTEREST, ETC.

35 14. (1.) A contract or agreement for the sale of any equitable estate or interest in any property whatsoever, or for the sale of any estate or interest in any property, except lands, or property locally situate out of New Zealand, or goods or marketable securities, shall be charged with the same *ad valorem* duty, to be paid by the purchaser, as if it were an actual conveyance on sale of the estate, interest, or property contracted or agreed to be sold.

Sale of equitable interest, &c.

40 (2.) This section is in substitution of section eighteen of "The Stamp Act 1882 Amendment Act, 1885," which section is hereby accordingly repealed.

FOREIGN MARINE INSURANCE COMPANIES.

45 15. Every broker, agent, or other person who negotiates or transacts any contract of marine insurance with any person or association, or any chartered or incorporated or joint-stock company, not carrying on business within the colony, or who makes any declaration under any open or valued policy issued by any such last-mentioned person, association, or company, is, for the purposes of section eleven of "The Stamp Act 1882 Amendment Act, 1885," himself deemed to be a company registered or incorporated beyond the colony and carrying on the business of marine insurance.

Section 11 of Amendment Act, 1885, extended.

STATUTORY DECLARATIONS.

Statutory declarations under certain Acts exempt.

16. All statutory declarations required to be made—(a) By a local authority for the purposes of “The Local Bodies’ Finance and Powers Act, 1885”; and (b) By a member of a Board under section eighteen of “The Hospitals and Charitable Institutions Act 1885 Amendment Act 1886,” shall be exempt from stamp duty. 5

FRIENDLY SOCIETIES’ CHEQUES.

Certain drafts or orders of friendly societies exempt.

17. Section thirteen of “The Friendly Societies Act, 1882,” relating to exemptions from stamp duty, is hereby amended by repealing paragraph (b) of subsection two thereof, and substituting in lieu thereof the following:— 10

“(b.) Draft or order or receipt given by or to a registered society or branch in respect of money payable by virtue of its rules or of this Act:

“Provided that every cheque drawn on any bank under this subsection shall bear on the face thereof the words ‘Friendly society’s cheque, to be used only for the purposes of the society on behalf of which it is issued, and not for general circulation.’” 15

MARKETABLE SECURITIES.

Value of marketable securities.

18. Where an instrument is chargeable with *ad valorem* duty in respect of any marketable security which has not been quoted or sold in any stock or share market, then for the purpose of assessing stamp duty the value of such marketable security is to be taken at par, meaning thereby, in the case of shares in any company, the amount paid or deemed to be paid thereon as at the date of the instrument, and in the case of any other marketable security the nominal value thereof at such date. 20 25

GUARANTEES.

Guarantees.

19. Every guarantee or promise in writing to answer for the debt or default of any other person, and signed by the party to be charged, is liable, when such guarantee or promise is the leading object of the instrument, to a stamp duty of ~~ten shillings~~ one shilling. 30

Struck out.

TRANSACTIONS BETWEEN RELATIVES.

Transactions between relatives liable to duty.

20. (1.) Where any of the parties to any transaction, dealing, or arrangement are connected by blood or marriage, and whether the transaction, dealing, or arrangement is expressed in writing or not, then, if the object or effect of such transaction, dealing, or arrangement is— 35 40

(a.) To vest or cause to be vested in one or more of such parties any estate or interest, legal or equitable, in any property of another or others of such parties for any other consideration than the immediate payment in money of the full value of such estate or interest; or 45

(b.) To vest or cause to be vested in one or more of such parties without the immediate payment of the full value in money therefor any estate or interest, legal or equitable, in any property purchased or acquired with the moneys of another or others of such parties; or 50

Struck out.

- (c.) To create a co-ownership or copartnership in any property belonging to one or more of such parties without the immediate payment of the full value in money of the interest acquired by another or others of such parties ; or
- 5 (d.) To create a trust in property belonging to one or more of such parties in favour of another or others of such parties ; or
- 10 (e.) By any means, method, or device to cause one or more of such parties to be benefited out of the property or by means of the moneys of any other or others of such parties without the immediate payment in money of the full value of such benefit to such first-mentioned party or parties,—

15 there shall, upon every such transaction, dealing, or arrangement, be payable by the party or parties benefited thereby, in respect of the full value of the benefit derived by such party or parties, the same duties as would be payable under "The Deceased Persons' Estates Duties Act, 1881," in respect of a devise or bequest of such benefit by the party from whom or by the use of whose money such

20 benefit is acquired as testator to the party or parties acquiring such benefit, and in addition to any duties which may be payable under any law relating to stamp duties.

25 (2.) For the purposes of the last preceding subsection payment of the value in money of an estate or interest shall not be deemed to be made by any party if the money or any part thereof paid shall have been supplied to or provided for or lent to such party by any person connected by blood or marriage with such party.

(3.) There shall be exempt from the provisions of this section—

- 30 (f.) Transactions and dealings with personal property in the ordinary course of mercantile business ;
- (g.) Gifts of money not evidenced by any document and not made with the object or intent of enabling the donee to enter into any transaction, dealing, or arrangement with the donor relating to any other property of the donor or
- 35 any estate or interest therein ;
- (h.) Gifts of personal property not exceeding fifty pounds in value, provided that successive gifts of such property by the same donor shall not be within this exemption.

40 (4.) Each party to any transaction, dealing, or arrangement in respect whereof duty is payable under this section shall notify or cause to be notified in writing to the Commissioner full particulars of the same within one month after the same is entered into ; and in default he shall be liable to a penalty of *one hundred*

45 pounds, and such penalty may be recovered at any time after the discovery by the Commissioner of such default, anything in any statute limiting the period within which informations may be laid to the contrary notwithstanding.

50 (5.) The provisions of paragraphs (b), (c), (d), and (e) of subsection two of section six of "The Stamp Acts Amendment Act, 1895," shall, *mutatis mutandis*, apply to every transaction, dealing, and arrangement referred to in this section.

Struck out.

Debentures chargeable as promissory notes.

DEBENTURES.

21. Every debenture issued by any company, association, or person is chargeable (unless specially exempted from payment of stamp duty by the principal Act or any other Act) with the same duty as if it were a promissory note.

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DEMONETISED STAMPS.

Die may be discontinued.

22. (1.) Where the Commissioner determines to discontinue the use of any die and to provide a new die in lieu thereof, and gives public notice thereof in the *Gazette*, then, from and after a day to be fixed in the notice (not being within three months after the same is so published), the new die shall be the only lawful die for denoting the duty chargeable in any case in which the discontinued die would have been used; and every instrument bearing date after the day so named, and every postal packet posted after that day, and stamped with the discontinued die, shall be deemed to be not duly stamped.

Obsolete stamps may be exchanged.

(2.) Any person who has in his possession any stamps or material stamped with the discontinued die, and which by reason of the providing of such new die have been rendered useless, may at any time within twelve months after the day stated in such notice send the same to any post-office, and the Commissioner shall thereupon cause the same to be cancelled, and stamps or stamped material (as the case may be) stamped with the new die, and to an equal value, to be exchanged for the stamps so cancelled.

Schedules.

SCHEDULES.

FIRST SCHEDULE.

CONTRACT-NOTE.

I HAVE this day sold to [or bought from] _____, Dated _____, 19 _____, at _____ shares in _____, at _____ per share. Paid up to _____, 19 _____.
Premium: _____

[Signed by buyer or seller.]

SECOND SCHEDULE.

STAMP DUTY ON CONTRACT-NOTES.

	Amount of Duty.
	£ s. d.
On the sale of shares, where the consideration does not exceed £100	0 1 0
Where the consideration exceeds £100	0 2 6