

No. 11 of 1995.

Stamp Duties (Budget Provisions) Act 1995.

Certified on : 15 MAY 1995

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1995.

Stamp Duties (Budget Provisions) Act 1995.

ARRANGEMENT OF SECTIONS.

1. Imposition of Stamp Duties (Amendment of Section 5).
2. Liability for duty (Amendment of Section 8).
3. Penalties in respect of unstamped instruments (Amendment of Section 18).
4. Assessment of duty (Amendment of Section 20).
5. Amendment to Schedule 1.

No. of 1995.

AN ACT

entitled

Stamp Duties (Budget Provisions) Act 1995,

Being an Act to amend the *Stamp Duties Act* (Chapter 117),

MADE by the National Parliament, to be deemed to have come into operation on 1 January 1995.

1. IMPOSITION OF STAMP DUTIES (AMENDMENT OF SECTION 5).

Section 5(2) of the Principal Act is repealed and is replaced with the following:-

- "(2) Stamp duty chargeable on an instrument is payable -
- (a) in the case of an instrument that is first executed outside the country before 1 January 1995 - when the instrument comes into the country; and
 - (b) in all other cases - when the instrument is first executed."

2. LIABILITY FOR DUTY (AMENDMENT OF SECTION 8).

Section 8 of the Principal Act is amended by inserting after Subsection (6) the following new Subsection:-

"(6A) where duty is payable under this Act, there is payable, in addition to the duty, interest on the unpaid duty at the rate of 10% per annum from -

- (a) the date of which the duty was liable to be paid; or
- (b) where Section 10A applies, from the date the return was required to be lodged under that Section; or
- (c) where Section 9(1) of the Regulation applies, from the date on which the return was required to be lodged under the Regulation."

3. PENALTIES IN RESPECT OF UNSTAMPED INSTRUMENTS (AMENDMENT OF SECTION 18).

Section 18 of the Principal Act is amended -

- (a) by repealing Subsection (1A)(b) and replacing it with the following:-

"(b) after 1 January 1995 -

- (i) where it was executed in Papua New Guinea - within 60 days after its execution; or

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(ii) where it was executed outside Papua New Guinea - within 60 days after its receipt in Papua New Guinea or within 180 days after its execution, whichever period first expires."; and

(b) by repealing Subsection (2) and replacing it with the following:-

"(2) Subject to Section 20, an instrument that is unstamped or insufficiently stamped after the expiration of the period referred to in Subsection (1A) shall, in addition to the unpaid duty, be charged with penalty duty of -

(a) K50.00; or

(b) an amount equal to 10% of the amount of the unpaid duty for each 30 day period or part thereof for which the instrument has remained unstamped or insufficiently stamped calculated from the day when it was first executed until the amount equals the amount of the unpaid duty,

whichever of the amount specified in Paragraph (a) or the amount calculated in accordance with Paragraph (b) is the greater amount."; and

(c) by repealing Subsection (3).

4. ASSESSMENT OF DUTY (AMENDMENT OF SECTION 20).

Section 20(3A) of the Principal Act is amended by repealing the words "assessment of duty of penalty" and replacing them with the following:-

"assessment of duty or penalty."

5. AMENDMENTS TO SCHEDULE 1.

Schedule 1 to the Principal Act is amended:-

(a) by repealing Item 5 and replacing it with the following:-

***5. CONVEYANCES OR TRANSFERS ON SALE OF REAL PROPERTY.**

(a) Where the property is a residential property and the purchaser -

(i) is a citizen and neither Nil he nor (if he is married) his spouse has previously owned a residential property in Papua New Guinea or elsewhere and he is purchasing the property for use solely as his or their (if he is married) home; or

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- | | | |
|-------|---|-------------------------|
| (ii) | has previously owned a residential property either in Papua New Guinea or elsewhere and is purchasing the property for use solely as his home; or | 2 per cent of the value |
| (iii) | is the owner of a residential property and is purchasing another residential property ; or | 2 per cent of the value |
| (iv) | is the owner of more than one residential properties and is purchasing another residential property; | 5 per cent of the value |

(b) In cases to which Paragraph (a) does not apply -

Where the value - does not exceed K25,000.00	2.00 or an amount equal to 2 per cent of the value, whichever is the greater
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exceeds K25,000.00 but does not exceed K100,000.00	An amount equal to 3 per cent of the value
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exceeds K50,000.00 but does not exceed K100,000.00	An amount equal to 4 per cent of the value
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exceeds K100,000.00	An amount equal to 5 per cent of the value
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Duty is payable by the purchaser or the person deemed to be the purchaser, or the person to whom the property is agreed to be conveyed.

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Exemptions -

- (1) Grants from the State of land in the country.
 - (2) Instruments deducting free and perpetual rights of way to the use of the public and not containing provisions by which the instruments could otherwise be chargeable with duty.
 - (3) Marriage settlements.
 - (4) Conveyances or transfers of real property to, or in trust for, registered friendly societies or corporations or bodies of person associated for religious, charitable, recreational or educational purposes, and instruments for declaring or defining the trusts or for appointing new trustees in respect of real property so conveyed.
 - (5) Instruments dealing with property outside the country to the extent that they relate to such property.
 - (6) Conveyances or transfers of real property where:
 - (i) the conveyance is made by the trustee to the beneficiary of the trust (otherwise than for valuable consideration) and does not constitute a breach of the trust; and
 - (ii) stamp duty on the prior conveyance of the real property has been paid or was not payable; and
 - (iii) in the opinion of the Collector of Stamp Duties the conveyance referred to in Subparagraph (i) is not made in connection with a scheme or arrangement to avoid stamp duty."
- (a) In Item 6 - by repealing the figure "K10.00" in the denominated value of stamp duty payable and replacing it with the expression "Nil".

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- (b) In Item 9 - by substituting the expression "rent for the lease period" for the expression "annual rent" wherever it occurs in sub-item (b)(iii).
- (c) In Item 15 - by repealing the words "4 per cent" in the denominated value of stamp duty applicable in the situation where consideration exceeds K100,000.00 and replacing them with "5 per cent"; and
- (d) In Item 16, by adding to the Exemptions to that Item the following new exemption item:-
 - "(8) Transfers of land use entitlement marketable securities where the Commissioner General is satisfied that neither the citizen transferee nor the citizen transferee's spouse (if he is married) has previously owned an interest in a residential property either in Papua New Guinea or elsewhere and the relevant land use entitlement attaches to property which will be used by the citizen transferee solely as his or their (if he is married) home."

I hereby certify that the above is a fair print of the *Stamp Duties (Budget Provisions) Act 1995* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Stamp Duties (Budget Provisions) Act 1995* was made by the National Parliament on 16 March 1995.

Speaker of the National Parliament.

