

STAMP (AMENDMENT) BILL, 2019

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STAMP (AMENDMENT) BILL, 2019

A BILL FOR AN ACT TO AMEND THE STAMP ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Stamp Act (*Ch. 370*), may be cited as the Stamp (Amendment) Act, 2019.
- (2) This Act shall come into operation on the 1st day of July, 2019.

2. Repeal of sections 3B and 3C of the principal Act.

Sections 3B and 3C of the principal Act are hereby repealed.

3. Repeal of section 29 of the principal Act.

Section 29 of the principal Act is hereby repealed.

4. Amendment of First Schedule to the principal Act.

The First Schedule to the principal Act is amended —

- (a) in item 11, by the deletion of the words “or realty”;
- (b) by the deletion of item 12;
- (c) by the deletion of item 15;
- (d) in item 16, by the deletion of the words “realty or”;
- (e) in item 17, by the deletion of the words “stamp duty” and the substitution of the words “value added tax”;
- (f) by the deletion of item 19;
- (g) by the deletion of item 27;
- (h) by the deletion of item 28 and the substitution of the following—
“28. a re-conveyance of personalty to a borrower

- for every \$100 or fraction thereof .10c”;
- (i) by the deletion of item 29;
 - (j) by the insertion immediately after item 37 of the following new item —
 - “37A. A transaction, instrument or receipt whereby funds are converted into 1 1/2%”;
 - foreign currency whether or not such funds are remitted or transferred out of The Bahamas

5. Amendment of Second Schedule to the principal Act.

The Second Schedule to the principal Act is amended by the insertion immediately after item 23 of the following new items —

- “24 A deed of conveyance, assignment or transfer of realty
- 25 A deed of exchange of realty
- 26 A mortgage or transfer of mortgage or realty
- 27 A re-conveyance of realty to a borrower or a mortgagor only
- 28 A transaction or instrument which by virtue of the provisions of this Act is treated as if it were a transfer of land and which —
 - (a) has the effect of transferring any of the issued shares of a company or of transferring the beneficial interest in the ownership of such shares and which would have a like effect upon the ownership of or beneficial interest in any realty in The Bahamas owned by the company to which the shares relate had the issued shares of the company represented the proportionate parts into which that ownership of or beneficial interest in the realty were divided; or
 - (b) forms part of a series of transactions, the cumulative effect of which upon realty is as mentioned in paragraph (a), unless the Treasurer is satisfied that the transaction is not of a series having regard to a statement to that effect endorsed on the instrument.
- 29 A transfer of a crown lease
- 30 An endorsement or mortgage under section 32 of the Conveyancing and Law of Property Act (*Ch. 138*), or other satisfaction or

discharge of a mortgage (including a satisfaction or discharge of a debenture) ”.

OBJECTS AND REASONS

The Stamp (Amendment) Bill, 2019 seeks to effect changes in policy from the payment of stamp tax on real property to the payment of VAT on real property.

Clause 1 of the Bill makes provision for the short title and the coming into operation of the Bill.

Clause 2 of the Bill seeks to repeal sections 3B and 3C of the Act in order to remove the obligation to pay stamp duty on mortgages of a dwelling home and the transfer of such mortgage.

Clause 3 of the Bill makes provision to repeal section 29 to remove the obligation to pay stamp duty on deeds of gifts and other voluntary transfer of property.

Clause 4 of the Bill makes provision respectively, for the amendment of items 11, 16 and 28 and for the deletion in their entirety, of items 12, 15, 19, 27 and 29, of the First Schedule, in order to remove the obligation to pay stamp duty in respect of any transfer of realty. The Bill also seeks to amend item 38 to provide for stamp duty on conversion of Bahamian currency to foreign currency whether or not it is transferred outside of The Bahamas.

Clause 5 of the Bill makes provision for the insertion of new items in the Second Schedule for the purpose of ensuring that all transactions deleted from the First Schedule are now exempt from the payment of stamp tax.