

COMMITTEE ON FINANCE

REPORT ON

STAMP DUTIES ACT, CAP S8, LAWS OF THE  
FEDERATION OF NIGERIA 2004,  
(AMENDMENT) BILL, 2018 (HB.889)  
(CONCURRENCE)

SUBMITTED TO THE SENATE

**FEBRUARY, 2018**

**REPORT OF THE COMMITTEE ON FINANCE ON A BILL FOR AN ACT TO AMEND THE STAMP DUTIES ACT, CAP S8, LAWS OF THE FEDERATION OF NIGERIA 2004, (AMENDMENT) BILL, 2018 TO ENSURE COMPLIANCE WITH CURRENT REALITIES AND FOR RELATED MATTERS (HB.889) (CONCURRENCE)**

**1.0 INTRODUCTION:**

The Senate at its sitting on Thursday 18<sup>th</sup>, January, 2018 read *Stamp Duties Act, 2004 (Amendment) Bill, 2018 (HB. 889) (Concurrence)* the Second Time and referred same to the Committee on Finance for further legislative action.

**2.0 MEMBERSHIP:**

1	Sen. John Owan Enoh	Chairman
2	Sen. Umaru I. Kurfi	Deputy Chairman
3	Sen. Usman B. Nafada	Member
4	Sen. Joshua C. Dariye	Member
5	Sen. Hope O. Uzodinma	Member
6	Sen. Yahaya A. Abduallahi	Member
7	Sen. Yusuf A. Yusuf	Member
8	Sen. Mustapha M. Sani	Member
9	Sen. Nelson A. Efiong	Member
10	Sen. Solomon O. Adeola	Member
11	Sen. Sabo Mohammed	Member
12	Sen. Victor C. Umeh	Member

### **3.0 COMMITTEE ACTION:**

The Committee invited major stakeholders for an interactive session. The Post Master General of the Federation, Nigeria Postal Service (NIPOST), the Executive Chairman of Federal Inland Revenue Service (FIRS) and Federal Ministry of Finance attended the interactive session which was held on Tuesday, 30<sup>th</sup> January, 2018.

### **4.0 OBSERVATION:**

Following the interactive session with Stakeholders and the review of the Amendment Bill, the Committee observed that:

1. The Stamp Duties Act Cap S8 LFN 2004 was enacted in 1939;
2. The Act introduced the use of adhesive postage stamps to denote documents, receipts and other registrable instruments;
3. The Act became obsolete as it is no longer relevant to meet the realities of the present day Nigeria;
4. The use of adhesive postage/electronic stamps to denote document, receipts or registrable instrument as now suggested in the amendment is not same as payment of stamp duty tax;
5. The core business service of NIPOST includes mail delivery of all kinds, logistics, financial service, issuing of adhesive postage/electronic stamps, implementing the stamping protocol process for enforcing the use of stamps to denote documents, receipts and other registrable instruments e.t.c;

6. NIPOST electronic stamp has been developed to specifically address the issue of disruptive technology that had made it impossible to denote electronic transactions;
7. Stamping protocol is the use of stamps, be it physically or electronically to denote documents, receipts and registrable instruments.

## 5.0 FINDINGS:

The Committee made the following findings that:

- i. Denoting is simply the value of a minimum postage rate in force at the time. The relevant authorities involved with the collection of duties or taxes are not deprived in any way from collecting their revenues;
- ii. The proposed amendment Bill will generate more revenue to the Federation through NIPOST; and
- iii. The proposed new revenue to be collected by NIPOST does not include the current Stamp Duties Tax collected by Federal Inland Revenue Service (FIRS).

## 6.0 RECOMMENDATION:

The Committee recommends that the Senate do concur with House of Representatives on the ***Stamp Duties Act 2004 (Amendment) Bill, 2018***, as it does not in any way conflict with existing Tax laws and it generates lawful revenue for the Federal Republic of Nigeria.

## **7.0 CONCLUSION:**

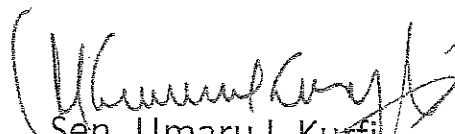
The Committee wishes to thank the Senate leadership, Distinguished Senators for the opportunity given to serve in this capacity.

REPORT OF THE SENATE COMMITTEE ON FINANCE ON STAMP DUTIES  
ACT, CAP S8, LAWS OF THE FEDERATION OF NIGERIA, 2004  
(AMENDMENT) BILL, 2018 (CONCURRENCE)

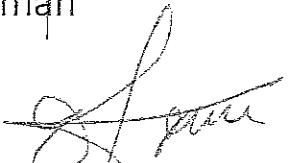
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Sen. John Owan Enoh  
Chairman

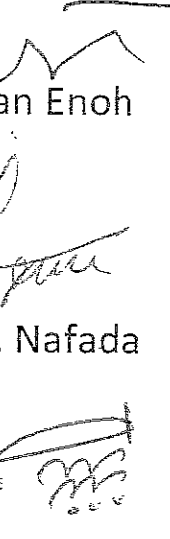


Sen. Umaru I. Kurfi  
Deputy Chairman

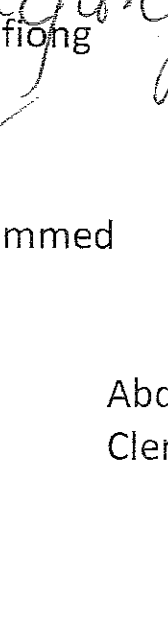


Sen. Usman B. Nafada  
Member


Sen. Joshua C. Dariye  
Member



Sen. Hope O. Uzodinma  
Member

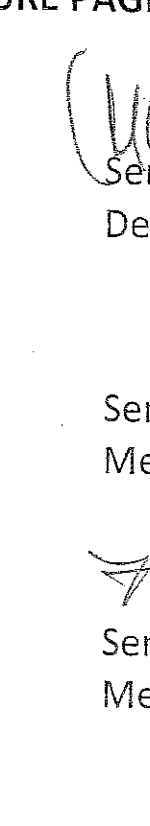


Sen. Yahaya A. Abdullahi  
Member



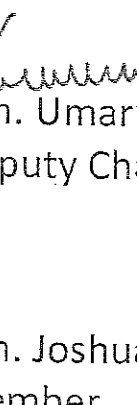
Sen. Yusuf A. Yusuf  
Member

Sen. Mustapha M. Sani  
Member

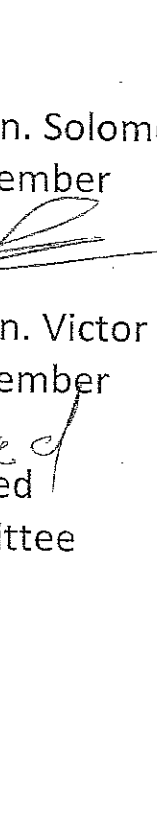


Sen. Nelson A. Efiom  
Member

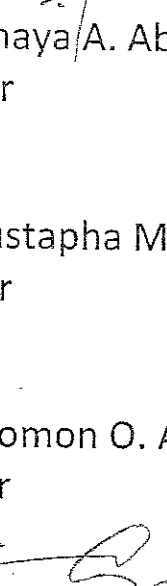
Sen. Solomon O. Adeola  
Member



Sen. Sabo Mohammed  
Member



Sen. Victor C. Umeh  
Member



Abdullahi El-Rasheed  
Clerk to the Committee

**A BILL FOR AN ACT TO AMEND THE STAMP DUTIES ACT, CAP. S8, LAWS OF THE FEDERATION OF NIGERIA 2004,  
TO ENSURE COMPLIANCE WITH CURRENT REALITIES AND FOR RELATED MATTERS (HB. 889) (CONCURRENCE)**

Clause	Provisions of the Principal Act	Provisions of the Bill	Committee Recommendations
	<p align="center"><b>AN ACT TO PROVIDE FOR THE LEVYING OF STAMP DUTIES ON CERTAIN MATTERS.</b></p>	<p><b>Long Title</b>  <b>A BILL FOR AN ACT TO AMEND THE STAMP DUTIES AND PROCEEDS ACT, CAP. S8, LAWS OF THE FEDERATION OF NIGERIA 2004, TO ENSURE COMPLIANCE WITH CURRENT REALITIES AND FOR RELATED MATTERS</b></p>	<p align="center"><b>Retained</b></p>
<p><b>1.</b> Amendment of Cap. S8 LFN, 2004</p>	<p><b>1. Amendment of Cap. S8 LFN, 2004</b></p>	<p><b>Amendment of Cap. S8 LFN, 2004</b>  1. The Stamp Duties Act (in this bill referred to as the Principal Act) is hereby amended as set out hereunder:</p>	<p align="center"><b>Retained</b></p>
<p><b>2.</b> Amendment of Section 2 of the Principal Act</p>	<p><b>2. Amendment of Section 2 of the Principal Act</b></p> <p>In this Act unless the context so requires-</p> <p>"stamp" means a stamp impressed by means of a die as an adhesive stamp for denoting any duty or fee;</p>	<p><b>Amendment of Section 2 of the Principal Act</b></p> <p><b>2.</b> Section 2 of the Principal Act is hereby amended in line 22 by changing the definition of "Stamp" and the addition of the definition of words "Proceeds" and "Stamping Protocol"</p> <p>"Stamp" means a postage adhesive or printed or impressed or engraved or electronic (image, pattern, code or reference) on any written, printed or electronically generated on receipt, document, instrument, memorandum, transaction, notification, surface, object by means of a dye or ink or electronically generated format with face value or specified value.</p> <p>"Proceeds" means revenue or income generated from the sale of adhesive postage Stamp or electronically generated Stamps or Point of Sale (POS) machine generated Stamps or income from the operations or business activities of the Nigerian Postal Service.</p> <p>"Stamping Protocol" means the entire process of implementing and enforcing the denoting of documents, instruments, forms,</p>	<p align="center"><b>Retained</b></p>

		deeds, agreement, receipts and relevant written documents with an adhesive postage stamp or electronic or internet generated stamps as well as the act of cancelling out same by signing across using a stamp impression or seal to cancel same.	
3. Amendment of Section 5 of the Principal Act	<b>5. Manner of denoting duty</b> (2) Where the duty may be denoted by adhesive stamps, postage stamps may, subject to the provisions of any Act or regulation, be used for the purpose	<b>Amendment of Section 5 of the Principal Act</b> 3. Section 5 of the Principal Act is amended by substituting the word "may" for "shall" in section 5(2) to read as follows:  5(2) Where the duty may be denoted by adhesive stamps, Postage Stamps shall be used for the purpose.	<b>Retained</b>
4. Amendment of Section 89 of the Principal Act	<b>89. Provisions as to duty upon receipts</b>  (1) For the purposes of this Act, the expression "receipt" includes any note, memorandum, or writing whereby any money amounting to four naira or upwards, or any bill of exchange or promissory note for the money amounting to four naira or upwards, is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand, or any part of a debt or demand, of the amount of four naira or upwards, is acknowledged to have been settled, satisfied, or	<b>Amendment of Section 89 of the Principal Act</b>  4. Section 89 of the Principal Act is amended as follows:  Provision as to denotation of Physical and Electronic Receipts, Documents and Instruments with postage stamp.  (1) For the purposes of this Act, all income from the denotation of receipt, document or instrument with postage stamp shall be known as Stamp Proceeds.  (2) Where the duty may be denoted by adhesive stamps, Postage Stamps shall be used for the purpose.	<b>Retained</b>



	<p>discharged, or which signifies or imports any such acknowledgement, and whether the same is or is not signed with the name of any person.</p> <p>(2) The duty upon a receipt may be denoted by an adhesive stamp which is to be cancelled by the person by whom the receipt is given before he delivers it out of his hands.</p>	<p>(2) For the purposes of this Act, the expression "receipt" includes any written, printed or electronic note or, memorandum, transaction or notification whereby any money amounting to Three Thousand Naira or upwards, or any bill of exchange or promissory note for the money amounting to Three Thousand Naira or upwards, is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand, or any part of a debt or demand, of the amount of Three Thousand Naira or upwards, is acknowledged to have been settled, satisfied, or discharged, or which signifies or imports any such acknowledgement, and whether the same is or is not signed with the name of any person,</p> <p>(3) For the purposes of this Act, the expression "document" includes any written, printed or electronic note, memorandum, or piece of matter that provides information or evidence or memorialized representation of thought or drafts or agreement or proofs or copied or statement or application that serves as an official record between two parties or more,</p> <p>(4) For the purposes of this Act, the expression "instrument" includes any written, printed or electronic matter formally attributed to its author, records and formally expresses a legally enforceable act, process, or contract or obligation, or right, and therefore evidences that act, process, or agreement, or document with value, or can be traded, or contractual right to deliver or receive cash of any money or asset amounting Three Thousand Naira or upwards is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand, or any part of a debt or demand; of the amount of Three Thousand Naira or upwards, is acknowledged to have been settled, satisfied, or discharged, or which signifies or imports any such</p>	
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		<p>acknowledgement, and whether the same is or is not signed with the name of any person</p> <p>(5) The denotation upon receipt, document or instrument shall be made with physical or electronic postage stamp which is to be cancelled by the person by whom the receipt is given before it is delivered. Every person who, being required by law to cancel as herein provided, neglects or refuses duly and effectively to do so in the manner aforesaid, shall be guilty of an offence and liable on conviction to a fine of One Hundred Thousand Naira.</p> <p>(6) The denotation upon receipt, document or instrument shall be made with a postage stamp in the same currency of the value of receipt, document and instrument that is liable to stamp proceeds.</p> <p>(7) For the purpose of this Act, all postage stamps including adhesive postage stamps and electronic stamps or any stamp that can be used for postal purpose shall be within the meaning of the Nigerian Postal Service Act which shall also include all postage stamps approved by the Nigeria Postal Service.</p>	
5.	<p><b>90. Certain forms of receipts not dutiable</b> Neither the name of a banker (whether accompanied by words of receipt or not) written in the ordinary course of his business as a banker upon a bill of exchange or promissory note duly stamped, nor the name of a payee written upon a draft or order, if payable to order, shall constitute a receipt chargeable with duty.</p>	<p><b>5. Section 90 of the Principal Act is amended as follows:</b> <i>Certain forms of receipts, documents and instruments do not require denotation</i> 90. Neither the name of a banker (whether accompanied by words of receipt or not) written in the ordinary course of his business as a banker upon a bill of exchange or promissory note duly stamped, nor the name of a payee written upon a draft or order, if payable to order, shall constitute a receipt, document or instrument that require denotation.</p>	Retained
6. Amendment of Section 91 of the	<p><b>91. Terms upon which receipts may be stamped after execution and used in evidence unstamped</b> (1) A receipt given without being</p>	<p><b>Amendment of Section 91 of the Principal Act</b> 6. Section 91 of the Principal Act is amended follows:</p>	Retained

Principal Act	<p>stamped may be stamped with an impressed stamp on the following terms-</p> <p>(a) within 28 days after it has been given, on payment of the duty and a penalty of four naira;</p> <p>(b) after 28 days, but within 56 days, on payment of the duty and a penalty of twenty naira, and shall not in any other case be stamped with an impressed stamp.</p>	<p>(1) A receipt, document or instrument given without being stamped may be stamped with a postage stamp on the following terms:-</p> <p>(a) within 28 days after it has been given, on a penalty of One-Thousand-Naira postage stamp;</p> <p>(b) after 28 days, but within 56 days, on penalty of Five-Thousand Naira postage stamp, and shall not in any other case be stamped with an impressed stamp.</p> <p>(2) Where in any legal proceedings or before any arbitrator or referee, a receipt, document or instrument is inadmissible by reason of it not being duly stamped, the officer presiding over the court, the arbitrator or referee may, having regard to the illiteracy and ignorance of the party tendering the receipt, document or instrument in evidence, admit the receipt upon payment of a penalty of One Hundred Thousand Naira and the officer presiding over the court, the arbitrator or referee, as the case may be, shall note the payment of the penalty upon the face of the receipt so admitted and a receipt shall be given for the same.</p> <p>(3) A receipt, document or instrument so admitted in evidence shall not be deemed to be duly stamped but shall be available for the purposes of the suit in which it is tendered in evidence and for that purpose only.</p> <p>(4) Where a person has been permitted under this subsection to tender a receipt, document or instrument not duly stamped upon payment of the penalty of One Hundred Thousand Naira, such person may recover the said sum of One Hundred Thousand Naira from the person whose duty it was to stamp the receipt at the time when it was first issued.</p> <p>(5) Nothing contained in this section shall relieve any person from any other penalty incurred by him in relation to such receipt, document or instrument.</p>	
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<p>7. Amendment of Section 92 of the Principal Act</p>	<p><b>92. Penalty for offences in reference to receipts</b></p> <p>If any person-</p> <p>(a) gives a receipt liable to duty and not duly stamped; or</p> <p>(b) in any case where a receipt would be liable to duty, refuses to give a receipt duly stamped; or</p> <p>(c) upon a payment to the amount of four naira or upwards, gives a receipt for a sum not amounting to four naira, or separates or divides the amount paid with the intent to evade the duty, he shall be guilty of an offence and liable on conviction to a fine of twenty naira.</p>	<p><b>Amendment of Section 92 of the Principal Act</b></p> <p>7. Section 92 of the Principal Act is amended as follows:</p> <p><i>Penalty for offences in reference to receipts, document and instruments</i></p> <p>92. If any person-</p> <p>(a) gives a receipt, document or instrument liable to stamp proceeds and not duly stamped; or</p> <p>(b) in any case where a receipt, document or instrument would be liable to stamp proceeds, refuses to give a receipt, document and instrument duly stamped; or</p> <p>(c) upon a payment or transaction to the amount of Three Thousand Naira or upwards, gives a receipt, document or instrument for a sum not amounting to Three Thousand Naira, or separates or divides the value of the amount paid or transaction with the intent to evade the denotation of receipt, document and instrument, such a person shall be guilty of an offence and liable on conviction to a fine of One Hundred Thousand Naira per receipt, document or instrument.</p>	<p><b>Retained</b></p>
<p>8. Amendment of Schedule to the Principal Act</p>	<p><b>SCHEDULE</b></p> <p>Exemptions:</p> <p>(1) Receipt given by any person or his representative for or on account of any salary, pay or wages or for or on account of any other like payment made to or for the account or benefit of any person being the holder of any office or an employee in respect of his office or employment or for or on account of money paid in respect of any pension superannuation allowance. Compassionate allowance or other like allowance.</p>	<p><b>SCHEDULE</b></p> <p><b>Amendment of Schedule</b></p> <p>8. Schedule to section 83 of the Principal Act is amended by removing items (3) and (4) on the exemption list and allow other numbered items rearranged in ascending order.</p>	<p><b>Retained</b></p>

(2) Receipt endorsed or otherwise written upon or contained in any instrument liable to stamp duty and duly stamped, acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal money, interest or annuity thereby secured or therein mentioned.

(3) Acknowledgment by any banker of the receipt of any bill of exchange or promissory note for the purpose of being presented for acceptance or payment.

(4) Receipt given for money deposited in any bank or with any banker to be accounted for and expressed to be received of the person to whom the same is to be accounted for, or for money withdrawn from a saving bank account.

(5) Receipt given by the payee of a money order,

(6) Receipt given for or upon the payment of any Government duties or taxes or of money to or for the use of the Government.

(7) The duplicate of any receipt required by Government to be given in duplicate, the original receipt

	<p>being duly stamped.</p> <p>(8) Receipt given by an officer of a public department of the Government of Nigeria or a State for money paid by way of imprest or advance or in adjustment of account, where he derives no personal benefit therefrom, or for the refund of out-of-pocket expenses due from Government.</p> <p>(9) Receipt given for drawback or bounty upon the exportation of any goods or merchandise.</p> <p>(10) Receipt given for the return of any duties of customs upon certificates of over-entry, or upon reimportation certificates.</p> <p>(11) Receipt given for the refund of any sums deposited with the Treasury under the provisions of the Minerals Act.</p> <p>(12) Receipt given for the return of any monies over-collected by Government.</p> <p>(13) Receipt given by a prisoner on discharge, for money placed on deposit in the Treasury, or otherwise retained during the term of his imprisonment.</p>		
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	<p>(14) Receipt given by an accused person for money or other property taken from him in his arrest</p> <p>(15) Receipts given for money given or subscribed to the Nigerian Red Cross Society</p>		
<b>9. Citation</b>		<p><b>Citation</b>  <b>9.</b> This Bill may be cited as Stamp Duties Act, (Amendment) Bill, 2018.</p>	<b>Retained</b>