

STAMP AND CHEQUE DUTIES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Stamp and Cheque Duties Act 1971.

Clause 1 relates to the Short Title.

Clause 2 relates to interpretation. A definition of the expression "transferable certificate of deposit" is added to section 2 of the principal Act.

Clause 3 clarifies and extends the meaning of the expression "instrument by way of security" as that expression is used in section 11 of the principal Act.

Clause 4 amends section 12 of the principal Act. No stamp duty will be payable on any instrument of conveyance of the legal ownership of any transferable certificate of deposit.

Clause 5 repeals paragraph (d) of section 17 of the principal Act, now dealt with by the new paragraph (d) added to subsection (1) of section 12 of the principal Act by *clause 4, subclause (2)*.

Clause 6 clarifies the intended operation of section 41 of the principal Act.

Clause 7 extends an exemption from duty for overseas cheques to overseas bills of exchange.

Hon. Mr Muldoon

STAMP AND CHEQUE DUTIES AMENDMENT

ANALYSIS

Title	
1. Short Title	4. No stamp duty on instruments conveying certain property
2. Interpretation	5. No conveyance duty on certain instruments of conveyance
3. No stamp duty on certain instruments	6. Valuation not to be less than value expressed in instrument
	7. No cheque duty payable on certain bills

A BILL INTITULED

An Act to amend the Stamp and Cheque Duties Act 1971

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

1. Short Title—This Act may be cited as the Stamp and Cheque Duties Amendment Act 1972, and shall be read together with and deemed part of the Stamp and Cheque Duties Act 1971* (hereinafter referred to as the principal Act).

2. Interpretation—(1) Section 2 of the principal Act is hereby amended by omitting from the definition of the expression “contract note” the word “inscribed”.

*1971, No. 51

No. 37—1

(2) The said section 2 is hereby further amended by adding the following definition:

“Transferable certificate of deposit’ means a certificate issued by any trading bank in New Zealand that—

“(a) Is recorded in a special register by the bank issuing the certificate; and 5

“(b) Is evidence of the deposit of a sum of not less than \$7,000 for a term of not less than 25 months, or of such other sum or for such other term as may from time to time be determined by the Minister of Finance by notice in the *Gazette* in substitution for the sum or term mentioned in this paragraph; and 10

“(c) Is transferable by the holder of the certificate by a special form of transfer to any person other than— 15

“(i) A trading bank in New Zealand; or

“(ii) A savings bank subsidiary of a trading bank in New Zealand.”

3. No Stamp duty on certain instruments—Section 11 of the principal Act is hereby amended by repealing paragraph (a) of subsection (1), and substituting the following paragraph: 20

“(a) An instrument by way of security within the meaning of the Chattels Transfer Act 1924, or an instrument executed by any corporate body which, if executed by an individual, would be an instrument by way of security within the meaning of the Chattels Transfer Act 1924; or an instrument whereby any such instrument by way of security is released, satisfied, partially released or satisfied, or its terms are varied:” 25 30

4. No stamp duty on instruments conveying certain property—(1) Section 12 of the principal Act is hereby amended by omitting from paragraph (c) of subsection (1) the words “Act 1949).”, and substituting the words “Act 1949); or”. 35

(2) The said section 12 is hereby further amended by adding to subsection (1) the following paragraph:

“(d) Money payable, or to become payable, for the supply of milk, cream, or other dairy produce to a factory.” 40

(3) The said section 12 is hereby further amended by omitting from paragraph (f) of subsection (2) the words "Act 1956."; and substituting the words "Act 1956; or".

(4) The said section 12 is hereby further amended by adding to subsection (2) the following paragraphs:

"(g) Any bond issued under section 129B of the Post Office Act 1959 (as inserted by section 4 of the Post Office Amendment Act 1969); or

"(h) Any transferable certificate of deposit."

10 **5. No conveyance duty on certain instruments of conveyance**—Section 17 of the principal Act is hereby amended by repealing paragraph (d).

6. Valuation not to be less than value expressed in instrument—The principal Act is hereby amended by repealing section 41, and substituting the following section:

"41. Notwithstanding anything in this Act, no property shall be valued for the purposes of computing stamp duty at less than the greatest of the following amounts:

20 "(a) The amount of the value of the consideration for the property as stated in, or agreed on between the parties to, the instrument; or

"(b) The amount of the value of the property as stated in, or agreed on between the parties to, the instrument; or

25 "(c) The amount of the value of the property."

7. No cheque duty payable on certain bills—Section 79 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

30 "(2) No cheque duty shall be payable on any overseas bill of exchange drawn or made in favour of any person mentioned in subsection (1) of this section, if, had the bill of exchange been drawn or made by that person, no cheque duty would have been payable on it by virtue of that subsection."