

Karnataka Stamp (Amendment) Act, 2011

16 of 2011

[18 March 2011]

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An Act further to amend the Karnataka Stamp Act, 1957. Whereas it is expedient further to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) for the purposes hereinafter appearing; Be it enacted by the Karnataka State Legislature in the sixty-second year of the Republic of India as follows:-

1. Short Title And Commencement :-

- (1) This Act may be called the Karnataka Stamp (Amendment) Act, 2011.
- (2) It shall come into force with effect from the first day of April 2011.

2. Amendment Of Section 9 :-

In the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) (hereinafter referred to as the principal Act), in section 9, in sub-section (1),-

(1) in clause (a),-

(a) in the first proviso, after item (iii), the following shall be inserted, namely:-

"(iv) by or in favour of loanee to obtain loans for non-agricultural purposes advanced to 'Joint Liability Groups by Schedule Banks and other Financial Institutions specified in this behalf;

(v) by or in favour of farmers for the allotment of developed lands to the farmers, when their lands are acquired for public purposes;
 (vi) by or in favour of farmers for the purchase of lands from the compensation amount paid to them when their lands are acquired for public purposes."

(b) after the third proviso, the following shall be inserted, namely:-
 "Provided also that the State Government may in public interest, by notification, reduce or remit the stamp duty payable on any instrument to be specified therein, executed by or between the concerned persons in connection with 2009-14 tourism policy of the State specified in Government Order No. Ka Sam Va Pra 231 Pra Va Yo 2007 dated: 20th October 2009 or specified by the State Government from time to time."

(2) in clause (b), for the words "or other marketable securities" the words "or other marketable securities, brokers notes, policies of insurance and receipts." shall be substituted.

3. Amendment Of Schedule :-

In the schedule to the principal Act,-

(1) in Article 5, in clause (e),-

(a) for sub-clause (ii) and entries relating thereto, the following shall be substituted, namely:-

<p>"(ii) possession of the property is not delivered Explanation-I,- When a reference, of a Power of Attorney granted separately by the seller to the purchaser in respect of the property which is the subject matter of such agreement, is made in the agreement, then the possession of the property is deemed to have been delivered for the purpose of this clause.</p>	<p>Ten paise for every one hundred rupees or part thereof on the market value equal to the amount of consideration subject to a maximum of rupees twenty thousand but not less than rupees five hundred</p>
	<p>Provided that if the proper stamp duty is paid on power of attorney under Article 41(e) or 41 (eb) as the case may, be executed between the same parties in respect of the same property, then the stamp duty chargeable on such agreement under Article 5(e) shall not exceed rupees two hundred."</p>
<p>Explanation-II,- For the purpose of clause (e) and clause (h) where subsequently conveyance or mortgage as the case may be, is executed between the same parties</p>	

in pursuance of such agreement or its records or memorandum, the stamp duty, if any, already paid and recovered on the agreement or its record or memorandum shall be adjusted towards the total duty leviable on the conveyance or mortgage, as the case may be	
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(b) clause (f) and the entries relating thereto, including explanation I and II shall be omitted.

(2) in Article 14, in clause (c), in column 2, the words, brackets, figures and letter "Revocation of Trust (No 54-B)" shall be omitted.

(3) in Article 20, in clause (4),-

(a) in sub-clause (i), in column 3,-

(i) for the words "three percent" the words "two percent" shall be substituted;

(ii) for the figures and symbol "0.7%", the words, "one percent" shall be substituted.

(b) in sub-clause (ii), in column 3,-

(i) for the words "three percent" the words "two percent" shall be substituted;

(ii) for the figures and symbol "0.7%" the words "one percent" shall be substituted;

(iii) the following shall be inserted in column 3, at the end, namely:-

"Explanation:- The term, "aggregate value of shares" for the purpose of Article 20(4) means, the face value of shares or its market value, whichever is higher."

(4) in Article 36, in column 3, the words "Ten rupees" shall be omitted.

(5) in Article 41,-

(a) in clause (e), in column 3, for the proviso and the entries relating thereto, the following shall be substituted, namely:-

"Provided that the duty paid on such power of attorney is adjustable towards the duty payable on agreement for sale under Article 5(e) or instrument of sale or transfer, as the case may be, executed between the same parties and in respect of the same property."

(b) clause (ea) and the entries relating thereto, shall be omitted.

(c) in clause (eb), in column 3, for the proviso and the entries relating thereto, the following shall be substituted, namely:-

"Provided that the duty paid on such power of attorney is adjustable towards the duty payable on agreement for sale under article 5(e) or on instrument of sale or transfer, as the case may be, executed between the same parties in respect of the same property."

(d) clause (f) and the entries relating thereto, shall be renumbered as 'clause (h) thereof and before clause (h) as so renumbered, the following shall be inserted, namely:-

"(f) When executed by a principal or client for the sole purpose of authorizing rupees fifty the agent or broker to carry out all lawful acts and deeds relating to his / her trading operations including sale / purchase of marketable securities, transfer of securities towards stock exchange, receiving / releasing funds and securities from / to other parties on behalf of the principal or client.

(g) When executed by a principal or client for the sole purpose of authorizing Rupees fifty" the depository participant to carry out all lawful acts and deeds relating to his/her demat account as per the bye-laws of the depositories / regulations governing such operations.

(6) in Article 52, for clause (d) and the entries relating thereto, the following shall be substituted, namely:-

"(d) of any trust property from one trust to another trust or from Trust to trustee or beneficiary, or from trustee to trust or trustee or beneficiary, as the case may be. The same duty as a conveyance [under Article 20 (1)] on the market value of the property (which is the subject matter of such transfer) or consideration for such transfer, whichever is higher.

Provided that for the public religious and charitable trusts, the duty for such

transfer shall be rupees one thousand."

(7) for Article 54 and entries relating thereto, the following shall be substituted, namely:-

"54 Trust,-

Declaration of or concerning, any property when made by any writing not being a Will.-

(i) When the Trust is made exclusively for public religious and charitable purposes.	Rupees One Thousand
(ii) When the Trust is made for the management & custody of properties, for the purpose of distributing the benefits/profits of the property to the beneficiaries and where there is no transfer/ disposition of property, in any way.	Rupees One Thousand
(iii) When the trust made involves the transfer/ disposition of property in any way;	The same duty as conveyance [under Article No. 20(1)] on the amount and the market value of the property, which is the subject matter of such transfer / disposition."