

## **Karnataka Stamp (Second Amendment) Act, 2010**

**8 of 2010**

**[31 March 2010]**

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## **Karnataka Stamp (Second Amendment) Act, 2010**

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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 first year of Republic of India as follows:-

### **1. Short Title And Commencement :-**

( 1 ) This Act may be called the Karnataka Stamp (Second Amendment) Act, 2010.

(2) It shall come into force with effect from the first day of April, 2010.

### **2. Amendment Of Section 9 :-**

I n 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) for the first proviso the following shall be substituted, namely:-

"Provided that the State Government may in public interest reduce or remit the stamp duty payable on an instrument executed,-

(i) by or in favour of any person to obtain or to repay loan, as the

case may be, for an agricultural purpose as defined in the Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act, 1974 (Karnataka Act 2 of 1975),

(ii) by a public sector undertaking, to obtain loan for the purpose for which it is established,

(iii) by or in favour of loanee to obtain or repay loan, as the case may be for the purposes of pursuing education, acquiring and installing water harvesting units and non-conventional energy devices such as solar and biogas energies,

(b) for the third proviso the following shall be substituted, namely:-

"Provided also that the state government may in public interest reduce or remit by notification, the stamp duty payable on any instrument to be specified therein,executed,-

(i) by or in favour of Rajiv Gandhi Housing Corporation in connection with implementation of housing programme including houses built under Indira Awaas Yojana, for the economically weaker sections and special occupational categories both in rural and urban areas for the purpose of providing residential facilities with capital investment by the state government and loan borrowed from Housing And Urban Development Corporation,

(ii) in favour of local bodies, urban development authorities and other public authorities to be specified therein, for the purposes of providing roads, civic amenities, parks, water bodies, mini-forests, boulevards, etc. which are exclusively meant for public purpose".

### **3. Amendment Of Section 45-A :-**

In section 45-A of the principal Act, in sub section (1),-

(1) in clause (h), for the bracket and figure "(iv)" the bracket and figure "(vi)" shall be substituted.

(2) after clause (n), the following shall be inserted, namely:-

"(o) Transferable Development Rights [ Article 20(7)]".

### **4. Amendment Of Schedule :-**

In the Schedule to the principal Act,-

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

(a) in sub-clause (i), in column 3, the following proviso, shall be inserted at the end, namely:-

"Provided that, where a deed of cancellation of earlier agreement is executed by and between the same parties in respect of the same property and if proper stamp duty has been paid on such agreement, then the duty on such 'deed of cancellation' shall not

exceed rupees five hundred."

(b) in sub-clause (ii), in column 3, the following shall be substituted, namely:—"One rupee 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"

(c) in clause (f), in column 3, the following shall be substituted, namely:-

"one rupee for every one hundred rupees or part thereof on the market value of the property which is the subject matter of such agreement or on the consideration for such agreement, whichever is higher, subject to a maximum of rupees one lakh fifty thousand: Provided that, if the proper stamp duty is paid under Article 41(ea) on a power of attorney, executed between the same parties in respect of the same property, then the stamp duty chargeable on such agreement shall not exceed Rs.200/-."

(d) clause (i) and the entries relating thereto shall be renumbered as clause (j) and before clause (j) as so renumbered, the following shall be inserted, namely:-

"(i) if relating to contract between Depository Participant (as defined in "The Depository Act, 1996") and client, for opening demat account Rupees fifty

(ia) if relating to contract between stock broker or sub broker(agent) and client(principal), for Stock Market operations Rupees fifty"

(2) in Article 6, in clause (1),-

(i) for sub-clauses (a) and (b) and the entries relating thereto, except Explanation, the following shall be substituted, namely:-

" if such loan or debt is repayable on demand from the date of instrument evidencing the agreement 0.1percent on the loan or debt amount subject to a maximum of Rs.50,000/- but not less than Rs.500/-"

(ii) in the explanation, in column 3, for the words "in any judgment, decree or order of any Court" the words "in any law for the time being in force or" shall be substituted.

(3) in Article 14,-

(a) in clause (a), in column 3, for the entries relating thereto, the following shall be substituted, namely:—"same duty as on the original instrument if such cancellation has the effect of reconveyance of property already conveyed by the original instrument:

Provided that, if the original instrument is a conveyance on sale,

then the stamp duty payable on such cancellation instrument is, as per article 20(1), on the market value of the property as on the date of execution of such cancellation."

(b) in clause (c), in column 2, for the words "See also" the words, figures and brackets " See also agreement or its records or Memorandum of an Agreement [No. 5(e)(i)]" shall be substituted.

(4) In Article 20,-

(a) in clause (2),-

(i) in column 2, for the words "first instrument" the words "instrument" shall be substituted.

(ii) in column 3, after the words, figures and brackets "the same duty as conveyance under Article 20(1)" the words "on the market value equal to the market value of the fully constructed flat or apartment or unit, irrespective of the stage of construction, deeming it as fully constructed" shall be inserted.

(iii) in the Explanation in column 2, clause (c) shall be omitted. (b) in clause(4),-

(i) in sub-clause (i), in column 3, for the figure and symbol "5%", the words "three percent" shall be substituted;

(ii) in sub-clause (ii), in column 3, for the figure and symbol "5%" the words "three percent" shall be substituted.

(c) after clause (6), and the entries relating thereto, the following clause shall be inserted, namely:-

"(7) conveyance relating to Transferable Development Rights 1% on the market value of the Transferable Development Rights equal to the market value of the corresponding portion of the property leading to such Transferable Development Rights, which is the subject matter of conveyance; or consideration for such conveyance; whichever is higher."

(5) In Article 30,

in sub-clause(1), for items (i), (ii), (iii) and (iv) and the entries relating thereto, except the provisos and the Explanation, the following shall be substituted, namely:-

"(i) where the lease purports to be for a term not exceeding one year in case of residential property	fifty paise for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced, subject to a maximum of rupees five hundred
(ii) where the lease purports to be for a term not exceeding one year in case of commercial or industrial property	fifty paise for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money

	advanced,
(iii) where the lease purports to be for a term exceeding one year and not exceeding ten years	one rupee for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(iv) where the lease purports to be for a term exceeding ten years and not exceeding twenty years	two rupees for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(v) where the lease purports to be for a term exceeding twenty years and not exceeding thirty years	three rupees for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(vi) where the lease purports to be for a term exceeding thirty years or in perpetuity or does not purport to be for any definite term	the same duty as conveyance under article 20(1) on the total amount or value of, average annual rent, fine, premium and money advanced; or on the market value of the property; whichever is higher."

(6) For Article 32-A, the following shall be substituted, namely:-

(i) where the license purports to be for a term not exceeding one year in case of residential property	fifty paise for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced, subject to a maximum of rupees five hundred
(ii) where the license purports to be for a term not exceeding one year in case of commercial or industrial property	fifty paise for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(iii) where the license purports to be for a term exceeding one year and not exceeding ten years	one rupee for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(iv) where the license purports to be for a term exceeding ten years and not exceeding twenty years	two rupees for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced,
(v) where the license purports to be for a term exceeding twenty years and not exceeding thirty years	three rupees for every one hundred rupees or part thereof on the total amount or value of; the average annual rent, premium, fine and money advanced."

(7) For Article 37 and the entries relating thereto, the following shall be substituted, namely:-

"37. Note or Memorandum or record of transactions (Electronic or otherwise).-	
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Sent by a broker or agent to his principal intimating the purchase or sale on account of such principal or effected by a trading member(agent) through stock exchange or association or otherwise on behalf of the client(principal) resident in the State of Karnataka or otherwise	
(a) Of any goods or commodities	One rupee for every ten thousand or part thereof on the value of goods or commodities, subject to a maximum of fifty rupees
(b) Of any share, scrip, stock, bond, debenture, debenture stock or other marketable security of a like nature, not being a government security	One rupee for every ten thousand or part thereof on the value of such security at the time of its purchase or sale, as the case may be, subject to a maximum of fifty rupees
(c) of a Government Security	one rupee for every ten thousand or part thereof of the value of the security, at the time of its purchase or sale, as the case may be, subject to a maximum of one thousand rupees
(d) Of securities other than those falling under clause (b) above, in respect of either delivery or non delivery based (jobbing and trading) transactions	one rupee for every ten thousand or part thereof subject to a maximum of fifty rupees
(e) Of futures and options trading, of securities other than those falling under clause (b) above,:	one rupee for every ten thousand or part thereof subject to a maximum of fifty rupees
(f) Of forward contracts of commodities: Explanation: For the purposes of clauses (b), (d) and (e), "securities" means, the securities as defined in clause (h) of section (2) of the Securities Contract (Regulation) Act, 1956.	one rupee for every ten thousand or part thereof subject to a maximum of fifty rupees."
Exemptions: (1) note or Memorandum sent by a broker or agent to his principal intimating the purchase or sale on account of such principal or a Government security or a share, scrip, stock, bond, debenture, debenture stock or other marketable security of like nature in or of any incorporated company or other body corporate, an entry relating to which is required to be made in clearance lists described in clauses (1), (2) and (3) of Article 18-A. (2) note or Memorandum sent by a broker or agent to his principal in any of the above cases, when the amount stated	

in the instrument is less than rupees one hundred.	
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(8) In Article 41,-

(a) in clause (e), in column 3 the following proviso shall be inserted at the end, namely:-"Provided that the duty paid on such power of attorney is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently between the same parties and in respect of the same property".

(b) in clause (ea), for the entries in column 3 the following shall be substituted, namely:-"one rupee for every one hundred rupees or part thereof on the market value of the property which is the subject matter of such power of attorney or on the consideration for such power of attorney, whichever is higher, subject to a maximum of rupees one lakh fifty thousand:

Provided that, when proper stamp duty is paid under Article 5(f) on such agreement, or records thereof or memorandum of an agreement executed between the same parties and in respect of the same property, the duty chargeable on such power of attorney shall not exceed Rs. 200/-:

Provided further that the duty paid on such power of attorney is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently between the same parties and in respect of the same property."