

Punjab Finance Act, 2006

5 of 2006

[30 June 2006]

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An Act to reduce court fee, rationalize certain stamp duties and amend the Punjab Sales Tax Ordinance, 2000. Preamble.- Whereas it is expedient to reduce court fee, rationalize certain stamp duties and amend the Punjab Sales Tax Ordinance, 2000; It is hereby enacted as follows:-

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the Punjab Finance Act, 2006.
- (2) It shall extend to the whole of the Punjab.
- (3) It shall come into force on the first day of July 2006.

2. Amendments In The Court Fees Act, 1870 (Vii Of 1870) :-

In the Court Fees Act, 1870 (VII of 1870), in Schedule I, in serial number 1, in column 3, under the heading "Proper Fee":-

- (i) for the words "Eight and a half", the words "Seven and a half" shall be substituted; and
- (ii) for the words "thirty four thousands", the words "fifteen thousands" shall be substituted.

3. Amendments In The Stamp Act, 1899 (Ii Of 1899) :-

In the Stamp Act, 1899 (II of 1899), in Schedule I, the following amendments shall be made, namely:-

(1) for Article 6, under the headings "Description of Instrument" and "Proper Stamp-duty", the following shall respectively be substituted:-

"6. AGREEMENT RELATING TO DEPOSIT OF TITLE DEEDS, PAWN OR PLEDGE, that is to say, any instrument evidencing an agreement relating to-

(1) the deposit of title-deeds or instruments constituting or being evidence of the title to any property whatever (other than marketable security), or

(2) the pawn or pledge of movable property, where such deposit, pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt-

(a) if such loan or debt is repayable on demand or more than three months from the date of the instrument evidencing the agreement;

(i) in the case of banking companies or other financial institutions, when the entire finance is not based on interest; and One-fifth of one percent, that is to say, 0.2% of the loan amount subject to a maximum of one hundred thousand rupees.

(ii) in any other case. One-fifth of one percent, that is to say, 0.2% of the loan amount.

(b) if such loan or debt is repayable not more than three months from the date of such instrument;

(i) in the case of banking companies or other financial institutions, when the entire finance is not based on interest; and One-tenth of one percent, that is to say, 0.1% of the loan amount, subject to a maximum of fifty thousand rupees.

(ii) in any other case. One-tenth of one percent, that is to say, 0.1% of the loan amount.";

(2) for Article 27, under the headings "Description of Instrument" and "Proper Stamp-duty", the following shall respectively be substituted:-

"27. DEBENTURE OR PARTICIPATION TERM CERTIFICATE OR TERM FINANCE CERTIFICATE OR ANY OTHER INSTRUMENT OF REDEEMABLE CAPITAL OTHER THAN A COMMERCIAL PAPER (whether or not a mortgage debenture, a Participation Term Certificate, a Term Finance Certificate or any other instrument of redeemable capital), being a marketable security transferable by endorsement or by separate instrument of transfer or by delivery. One-twentieth of one percent, that is to say, 0.05% of the face

value per annum subject to a maximum of one million rupees.

Explanation-I. The term "Debenture" includes any interest coupons attached thereto, but the amount of such coupons shall not be included in estimating the duty.

Explanation-II. The term "Participation Term Certificate" means an instrument or certificate of a specified denomination called the face value or nominal value, issued by a company for raising capital, the holder whereof participates in the profit and loss of the company over such period to such extent and on such conditions as may be specified at the time of its issue.

Explanation-III. The term "Term Finance Certificate" means a fixed tenure instrument or certificate of a specified denomination called the face value or nominal value issued to raise capital by a body corporate in the form of transferable security.";

(3) in Article 40, under the headings "Description of Instrument" and "Proper Stamp-duty", after clause (c), the following shall respectively be inserted:-

"(d) (i) mortgage with banking companies, that is to say, simple or legal mortgage for banking companies or other financial institutions, when the entire finance is not based on interest; and One-fifth of one percent, that is to say, 0.2% of the loan amount subject to a maximum of one hundred thousand rupees.

(ii) in any other case. One-fifth of one percent, that is to say, 0.2% of the loan amount.";

(4) in Article 49, under the headings "Description of Instrument" and "Proper Stamp-duty", for clause (b), the following shall respectively be substituted:-

"(b) when payable otherwise than on demand, including a commercial paper. One-fiftieth of one percent, that is to say, 0.02% per annum of the amount payable.";

(5) in Article 62-

(a) under the headings "Description of Instrument" and "Proper Stamp-duty", for clause (b), the following shall respectively be substituted:-

"(b) of Debenture or Participation Term Certificate or Term Finance Certificate or any other instrument of redeemable capital (other than Commercial Paper), whether mortgaged or not, being a transferable security, whether liable to duty or not except as provided for by section 8; and One-tenth of one percent, that is to say, 0.1% of the face value of the instrument.";

(b) after clause (e), under the headings "Description of Instrument"

and "Proper Stamp-duty", the following new clause (f) shall respectively be inserted:-

"(f) of a promissory note, including a commercial paper, when payable otherwise than on demand.". Nil.

4. Amendment In The Punjab Sales Tax Ordinance, 2000 (II Of 2000) :-

In the Punjab Sales Tax Ordinance, 2000 (II of 2000), in the Schedule, in serial number 2, in sub-serial number (ii), for the words "funded by USAID" occurring after the words "campaign" and before the semicolon, the words and dashes "financed out of funds provided under a grant-in-aid agreement" shall be substituted.