

# A BILL

## FOR

AN ACT TO AMEND THE STAMP DUTIES ACT, CAP. S8, LFN, 2004 TO ENSURE COMPLIANCE WITH CURRENT REALITIES AND FOR RELATED MATTERS

*Sponsored by Hon. Saheed Akinade-Fijabi*

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1           1. The Stamp Duties Act (in this Bill referred to as “The Principal  
2 Act”) is hereby amended as set out hereunder:

3           2. Section 2 of the Principal Act is hereby amended in line twenty-  
4 two by changing the definition of “stamp” as stated below:  
5 “stamp” means a stamp impressed by means of a dye or ink electronically  
6 generated online through the internet or embossed through a point of sale  
7 (POS) machine or an adhesive postage stamp with face value or specified  
8 value;

Amendment of  
Section 2 of the  
Principal Act

9           3. Section 5 of the Principal Act is amended by substituting the  
10 word "may" for "shall" in section 5(2) and also create a new sub-sections 6, 7  
11 and 8 to read as follows:

Amendment of  
Section 5 of the  
Principal Act

12           5(2) Where the duty may be denoted by adhesive stamps, postage  
13 stamps shall, subject to the provisions of any Act or regulations, be used for  
14 the purpose.

15           5(6) Adhesive stamp mentioned in this Act shall be any postage  
16 issued by the Nigerian Postal Service for the purpose of denoting duty, and  
17 includes adhesive or electronically generated or online stamp.

18           5(7) Electronic instruments and transaction of and between  
19 individuals carried on through or on their behalf by banks, operators of  
20 clearance services and electronic payment systems and or any other

1 electronic instrument and transactions shall be denoted by adhesive postage  
2 stamps or ink electronically generated online through the internet.

3 5(8) All paperless or transactions made electronically by way of any  
4 electronic settlement and registration system involving depository receipts or  
5 any receipts and clearance services through any intermediary or through the  
6 operations of such paperless system shall be denoted by adhesive postage  
7 stamps or ink electronically generated online through the internet.

Amendment of  
Section 11 of  
the Principal Act

8 4. Section 11 of the Principal Act is amended in sub-section 3 by  
9 increasing fine and also extend it to corporate person as stated below:

10 (3) Every person who, being required by law to cancel an adhesive  
11 stamp, neglects or refuses duly and effectively to do so in the manner aforesaid,  
12 shall be guilty of an offence and liable on conviction to a fine of fifty thousand  
13 naira or six months imprisonment or both, if a corporate person, liable to a fine  
14 of two hundred and fifty thousand naira or one year imprisonment or both.

Amendment of  
Section 13 of  
the Principal Act

15 5. Section 13 of the Principal Act is amended by increasing the fine  
16 and read as stated below:

17 (1) If any person-

18 (a) fraudulently removes or causes to be removed from any  
19 instrument any adhesive stamp, or affixes to any other instrument or uses for  
20 any postal purpose any adhesive stamp which has been so removed, with intent  
21 that the stamp may be used again; or

22 (b) sell or offer for sale, or utters any adhesive stamp which has been  
23 so removed, or utters any instrument having thereon any adhesive stamp which  
24 has to his knowledge been so removed as aforesaid, he shall be guilty of an  
25 offence and liable on conviction in addition to any other fine or penalty to  
26 which he may be liable, to a fine of two hundred and fifty thousand naira only.

Amendment of  
Section 27 of  
the Principal Act

27 6. Section 27 of the Principal Act is amended in sub-section 2 to  
28 increase the fine and read as stated below:

29 27(2) If any person whose office it is to prepare or deliver out any  
30 instrument of admission chargeable with duty, or to register, enter or make any

1 memorandum of any admission in respect of which no instrument of  
2 admission is delivered to the person admitted, neglects or refuses within one  
3 month after the admission, to prepare a duly stamped instrument of  
4 admission, or to make a duly stamped registered, entry or memorandum of  
5 the admission as the case may require, he shall be guilty of an offence and  
6 liable on conviction to a fine of fifty thousand naira or imprisonment for six  
7 months or both.

8 7. Section 28 of the Principal Act is amended to change the duty on  
9 agreement and read as stated below: Amendment of  
Section 28 of the  
Principal Act

10 28. All forms of agreement shall be denoted by adhesive postage  
11 stamps issued by the Nigeria Postal Service for the purpose of denoting duty  
12 which shall be cancelled by the person by whom the agreement is first  
13 signed before he delivers it out of his hands.

14 8. Section 32 of the Principal Act is amended to increase fines in Amendment of  
Section 32 of  
the Principal Act  
15 sub-sections 1 and 2 to read as stated below:

16 (1) Every appraiser, by whom an appraisal or valuation  
17 chargeable with duty is made, shall, within fourteen days after the making  
18 thereof, write out the same in words and figures showing the full amount  
19 thereof, and shall duly stamp the same and if he neglects or omits so to do, or  
20 in any other manner first discloses the amount of the appraisal or  
21 valuation, he shall be guilty of an offence and liable to a fine of two hundred  
22 and fifty thousand naira only.

23 (2) Every person who receives from any appraiser, or pays for the  
24 making of any such appraisal or valuation, not so written out and  
25 stamped as aforesaid, shall incur a fine of one hundred thousand naira only.

26 9. Section 35 of the Principal Act is amended to increase the fine in Amendment of  
Section 35 of  
the Principal Act  
27 sub-section 2 to read as stated below:

28 (2) Any person who commits an offence against this section shall  
29 be guilty of an offence and liable on conviction to a fine of two million naira  
30 only.

Amendment of  
Section 39 of the  
Principal Act

1                   **10.** Section 39 of the Principal Act is amended in sub-section (1) to  
2 change the duty on a bill of exchange to read as stated below:

3                   (1) All bills of exchange payable on demand or at sight or on  
4 presentation or within three days after date at sight, shall be denoted by an  
5 adhesive postage stamp for the time been used to denote duty issued by the  
6 Nigerian Postal Service, which where the bill is drawn in Nigeria, shall be  
7 cancelled by the person by whom the bill is signed before he delivers it out of  
8 his hands, custody or powers.

Amendment of  
Section 40 of the  
Principal Act

9                   **11.** Section 40 Of the Principal Act is amended in sub-section (1) to  
10 change the means of stamping foreign bills and notes to read as stated below:

11                   (1) Every person into whose hands any bill of exchange or promissory  
12 note, drawn or made out of Nigeria, comes in Nigeria before it is stamped shall,  
13 before he presents for payment, or endorses, transfers or in any manner  
14 negotiates, or pays the bill or note, affix thereto a postage stamp denoted for  
15 duty at the prevailing rate issued by the Nigerian Postal Services.

Amendment of  
Section 42 of the  
Principal Act

16                   **12.** Section 42 of the Principal Act is amended in sub-section (1) to  
17 increase penalty for issuing any unstamped bill or note to read as stated below:

18                   (1) Every person who issues, endorses, transfers, negotiates, presents  
19 for payment, or pays any bill of exchange or promissory note liable to duty and  
20 not being duly stamped, shall be guilty of an offence and liable on conviction to  
21 a fine of fifty thousand naira, and the person who takes or receives from any  
22 other person any such bill or note either in payment or as a security, or by  
23 purchase or otherwise, shall not be entitled to recover thereon, or to make the  
24 same available for any purpose whatever:

25                   Provided that if any bill of exchange payable on demand or at sight or  
26 on presentation, or within three days after date or sight is presented for payment  
27 unstamped, the person to whom it is presented may affix thereto an adhesive  
28 stamp at the postage rate denoted for duty by the Nigerian Postal Service for the  
29 time being in force, and cancel the same, as if he had been the drawer of the bill,  
30 and may thereupon pay the sum in the bill mentioned, and charge the duty in

1 account against the person by whom the bill was drawn, or deduct the duty  
2 from the said sum, and the bill shall, so far as respects the duty, be deemed  
3 valid and available.

4 13. Section 44 of the of the Principal Act is amended in sub-section  
5 (2) to increase penalty for making or executing unstamped bill of lading to  
6 read as stated below:

7 (2) Every person who makes or executes any bill of lading not duly  
8 stamped shall be guilty of an offence and liable on conviction to a fine of two  
9 hundred and fifty thousand naira or one year imprisonment or both.

10 14. Section 50 of the Principal Act is amended in sub-sections (2)  
11 & (4) to include contract note and as well increase penalty attached to its  
12 obligation to read as stated below:

Amendment of  
Section 50 of the  
Principal Act

13 (2) If any person makes or executes any contract note chargeable  
14 with duty and not being duly stamped, he shall be guilty of an offence and  
15 liable on conviction to a fine of one hundred thousand naira.

16 (4) All stamp duties on a contract note shall be denoted by adhesive  
17 postage stamp or ink electronically generated online through the internet  
18 which is to be cancelled by the person by whom the note is executed.

19 15. Section 66 of the Principal Act is amended to increase  
20 prescription on provision as to duplicates and counterparts to read as stated  
21 below:

Amendment of  
Section 66 of the  
Principal Act

22 66. Provision as to duplicates and counterparts:

23 The duplicate or counterpart of an instrument chargeable with duty (except  
24 the counterpart of an instrument chargeable as a lease, such counterpart not  
25 being executed by or on behalf of any lessor or grantor) shall not be deemed  
26 duly stamped, unless it is stamped as an original instrument, or unless it is  
27 made to appear to a commissioner ( who shall upon payment of a fee of five  
28 hundred naira in adhesive stamps, certify on such duplicate or counterpart  
29 according) that the full and proper duty has been paid upon the original  
30 instrument of which it is the duplicate or counterpart.

Amendment of  
Section 71 of  
the Principal Act

1                   16. Section 71 of the Principal Act is amended to change duty on  
2 certain leases to read as stated below:

3                   71. Duty on certain leases may be denoted by adhesive stamp:  
4 The duty on an instrument chargeable with duty as lease or for tenancies for any  
5 definite term less than three years and the duty upon the duplicate or  
6 counterpart of any such instrument shall be denoted by an adhesive postage  
7 stamp which shall be cancelled by the person by whom the instrument is first  
8 executed.

Amendment of  
Section 72 of  
the Principal Act

9                   17. Section 72 of the Principal Act is amended to increase penalty on  
10 unstamped allotment letter to read as stated below:

11                  72. Provision as to letters of allotment:  
12 Every person who executes, grants, issues or delivers out any document  
13 chargeable with duty as a letter of allotment, letter or renunciation, or script  
14 certificate, or as scrip, before the same is duly stamped, shall be guilty of an  
15 offence and liable on conviction to a fine of one hundred thousand naira.

Amendment of  
Section 74 of  
the Principal Act

16                  18. Section 74 of the Principal Act is amended in sub-section (1) & (2)  
17 to increase duty and penalty on provision as to proxies and voting papers and  
18 read as stated below:

19                  74. Provision as to proxies and voting papers:

20                  (1) Every letter of power of attorney for the purpose of appointing a  
21 proxy to vote at a meeting, and every voting paper, hereby respectively charged  
22 with the rate of postage denoted for duty at the prevailing period, shall specify  
23 the day upon which the meeting at which it is intended to be used is to be held,  
24 and shall be available only at the meeting so specified, and any adjournment  
25 thereof.

26                  (2) Every person who makes or executes, or votes, or attempts to vote,  
27 under or by means of any such letter or power of attorney or voting paper, not  
28 being duly stamped, shall be guilty of an offence and liable on conviction to a  
29 fine of two hundred and fifty thousand naira, and every vote given or tendered  
30 under the authority or by means of the letter or power of attorney or voting

1 paper shall be voided.

2 19. Section 78 of the Principal Act is amended in sub-section (2) to  
3 increase fine for transferring unstamped marketable security to read as  
4 stated below:

Amendment of  
Section 78 of  
the Principal Act

5 (3) Any person who contravenes the provisions of this section  
6 shall be guilty of an offence and shall be liable on conviction to a fine of one  
7 hundred thousand naira.

8 20. Section 79 of the Principal Act is amended in sub-section (2) to  
9 increase fine on negotiating unstamped marketable security to read as stated  
10 below:

Amendment of  
Section 79 of  
the Principal Act

11 (2) If the marketable security upon which the stamp duty has been  
12 charged in accordance with this section is assigned, transferred or in any  
13 manner negotiated in Nigeria after the date stated on the face of the security  
14 as the date by which the amount secured is to be paid off, stamp duty thereon  
15 shall be charged at the full rate of duty, an allowance being made for the duty  
16 already paid, and if any person in Nigeria after the said date assigns,  
17 transfers or in any manner negotiates or is concerned as brooker or agent in  
18 assigning, transferring or in any manner negotiating any such security, and  
19 the security is not stamped in accordance with this provision, that person  
20 shall be guilty of an offence and liable on conviction to a fine of one hundred  
21 thousand naira only.

22 21. Section 83 of the Principal Act is amended by changing the  
23 word "may" to "shall" in the title and line two of the section and as well  
24 create new sub-sections (1) and (2) to read as stated below:

Amendment of  
Section 83 of  
the Principal Act

25 83. Duty on notarial acts shall be denoted by adhesive stamps:

26 (1) The duty upon a notarial act and upon the protest by a notary  
27 public of a bill of exchange or promissory note shall be denoted by an  
28 adhesive stamp which shall be cancelled by the notary.

29 (2) Every bank deposit made for individuals and corporate bodies  
30 shall be charged with duty denoted by adhesive postage stamp or

1 electronically generated stamp of the Nigerian Postal Service.

Amendment of  
Section 85 of  
the Principal Act

2           **22.** Section 85 of the Principal Act is amended by increasing stamp  
3 on policy of insurance against accident and sickness to read as stated below:

4           **85.** Stamp on policy of insurance against accident and sickness:

5 A policy of insurance against accident is not to be charged with any further duty  
6 than two hundred naira by reason of the same extending to any payment to be  
7 made during sickness or incapacity from personal injury.

Amendment of  
Section 87 of  
the Principal Act

8           **23.** Section 87 of the Principal Act is amended in sub-section (b) by  
9 increasing fine for not making out policy of insurance or making policy not  
10 stamped to read as stated below:

11           (b) makes, executes or delivers out, or pays or allows in account, or  
12 agrees to pay or allow in account, any money upon or in respect of any policy of  
13 insurance which is not duly stamped, shall be guilty of an offence and liable on  
14 conviction to a fine of one hundred thousand naira.

Amendment of  
Section 89 of  
the Principal Act

15           **24.** Section 89 of the Principal Act is amended in sub-section (1) to  
16 increase threshold and sub-section (2) to change "may" to "shall" to read as  
17 stated below:

18           (1) For the purpose of this Act, the expression "receipt" includes any  
19 note, memorandum or writing whereby any money amounting to one thousand  
20 naira or upwards or any bill of exchange or promissory note for the money  
21 amounting to one thousand naira or upward or any bill of exchange or  
22 promissory note for the money amounting to one thousand naira or upwards, is  
23 acknowledge or expressed to have been received or deposited or paid or  
24 whereby any debt or demand, or any part of a debt or demand of the amount of  
25 one thousand or upwards is acknowledge to have been settled, satisfied or  
26 discharged or which signifies or imports any such acknowledgement, and  
27 whether the same is not signed with the name of any person.

28           (2) The duty upon a receipt shall be denoted by an adhesive postage  
29 stamp, which is to be cancelled by the person by whom the receipt is given  
30 before he delivers it out of his hands, or electronically or internet generated or



1 point of sale (POS) stamp in the value of the lowest issued as indicative  
2 value by Nigeria Postal Service.

3 25. Section 91 of the Principal Act is amended is sub-section (1)(a) Amendment of  
4 and b) to increase penalty for using an unstamped receipt to read as stated Section 91 of  
5 below: the Principal Act

6 (a) within twenty-eight days after it has been given, on payment of  
7 the duty and a penalty of ten thousand naira;

8 (b) after twenty-eight days, but within fifty-six days, on payment  
9 of the duty and a penalty of fifty thousand naira.

10 26. Section 92 of the Principal Act is amended in sub-section (c) to Amendment of  
11 increase threshold and fine in reference to receipts to read as stated below: Section 92 of  
12 the Principal Act

13 (c) upon a payment to the amount of one thousand naira or  
14 upwards, gives a receipt for the sum not amounting to one thousand naira, or  
15 separates or divides the amount paid with the intent to evade the duty, if an  
16 individual person shall be liable on conviction to a fine of fifty thousand  
17 naira or six months imprisonment or both. If a corporate person, shall be  
18 liable on conviction to a fine of two hundred and fifty thousand naira or one  
19 year imprisonment or both.

20 27. Section 115 of the Principal Act as amended in paragraph (d) to Amendment of  
21 remove ambiguity to read as stated below: Section 115 of  
22 the Principal Act

23 (d) to the substitution of adhesive stamps for impressed stamps, or  
24 of impressed stamps for adhesive stamps, or of revenue stamps for postage  
25 and revenue stamps with the consent of the President where the means to be  
26 substituted is within the exclusive legislative lists.

27 28. Schedule to section 83 of the Principal Act is amended by Amendment of  
28 removing items (3) and (4) on the exemption list and allow other numbered Schedule to the  
29 items rearranged in ascending order. Principal Act

30 29. This Bill may be cited as Stamp Duties Act (Amendment) Bill, Citation  
31 2017.

## EXPLANATORY MEMORANDUM

This bill seeks to amend the Stamp Duties Act by redefining stamp, amend various provisions in its content, in the area of application of the Act, as well as penalty for violation in line with the current realities and global practices.