

CERTIFICATE

In accordance with section 56(2) of the Jamaica (Constitution) Order in Council 1962, I hereby certify that this Bill shortly entitled "The Stamp Duty (Amendment) Act, 2017 is a Money Bill.

PEARNEL CHARLES, CD, MP, JP  
*Speaker*

A BILL

ENTITLED

AN ACT to Amend the Stamp Duty Act.

[ ]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1. This Act may be cited as the Stamp Duty (Amendment) Act, 2017, and shall be read and construed as one with the Stamp Duty Act (hereinafter referred to as the "principal Act") and all amendments thereto.

Short title and construction.

2. The Schedule to the principal Act is amended under the heading Exemption from any Stamp Duty under the preceding head

Amendment of Schedule to principal Act.

“shares” by inserting next after the paragraph relating to “Transfers of securities” the following—

“ The redemption, purchase or other acquisition of the shares of a company, by the company which issued the shares, if—

- (i) the shares are listed on the Jamaica Stock Exchange or any other stock exchange signified by order of the Minister to be recognized for the purposes of this exemption; and
- (ii) the shares are redeemed, purchased or otherwise acquired pursuant to the rules of the stock exchange on which the shares are listed as required under paragraph (i) and, where applicable, in accordance with any terms and conditions upon which the shares were issued by the company.”.

Passed in the House of Representatives this 25th day of July, 2017.

PEARNEL CHARLES, CD, MP, JP  
*Speaker.*

## MEMORANDUM OF OBJECTS AND REASONS

In 2004 the Government made significant amendments to the *Companies Act* which included an amendment to section 58 to authorize a company to redeem, purchase or otherwise acquire shares issued by the company, as long as the company's Articles provided for such a transaction.

The amendment did not provide for the necessary consequential amendments to the *Income Tax Act*, the Stamp Duty Act and the *Transfer Tax Act* which has resulted in some anomalies in the law regarding the application of taxation in relation to transactions involving shares.

Under the Stamp Duty Act, the assignment and transfer of any share attracts the payment of stamp duty. This anomaly has resulted in a disincentive to many companies from availing themselves of the share buy-back option provided by section 58 of the *Companies Act*.

Therefore, this Bill seeks to make the requisite amendments to the Stamp Duty Act, in order to exempt from the payment of stamp duty, a share buy-back transaction.

AUDLEY SHAW  
Minister of Finance and the Public Service.

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As passed in the Honourable House of Representatives.

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