

20. Conversion of amount expressed in foreign currencies. (1) Where an instrument is chargeable with ad valorem duty in respect of any money expressed in any currency other than that of ⁸[Pakistan], such duty shall be calculated on the value of such money in the currency of ⁹[Pakistan] according to the current rate of exchange on the day of the date of the instrument.

1. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".
2. Inserted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960).
3. The word "cheque" repealed by the Indian Finance Act, 1927 (V of 1927), Section 5.
4. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".
5. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".
6. The word "cheque" repealed by the Indian Finance Act, 1927 (V of 1927), Section 5.
7. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".
8. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".
9. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".

(2) The ¹⁰[Federal Government] may, from time to time, by notification in the ¹¹[Official Gazette], prescribe ¹²a rate of exchange for the conversion of British or any foreign currency into the currency of ¹³[Pakistan] for the purposes of calculating stamp-duty, and such rate shall be deemed to be the current rate for the purposes of sub-section (1).

21. Stock and marketable securities how to be valued. Where an instrument is chargeable with ad valorem duty in respect of any stock or of any marketable or other security, such duty shall be calculated on the value of such stock or security according to the average price or the value thereof on the day of the date of the instrument.

22. Effect of statement of rate of exchange or average price. Where an instrument contains a statement of current rate of exchange, or average price, as the case may require, and is stamped in accordance with such statement, it shall, so far as regards the subject-matter of such statement, be presumed, until the contrary is proved, to be duly stamped.

23. Instruments reserving interest. Where interest is expressly made payable by the terms of an instrument, such instrument shall not be chargeable with duty higher than that with which it would have been chargeable had no mention of interest been made therein.

¹⁴[23-A. Certain instruments connected with mortgages of marketable securities to be chargeable as agreements. (1) Where an instrument (not being a promissory note or bill of exchange)--

- (a) is given upon the occasion of the deposit of any marketable security by way of security for money advanced or to be advanced by way of loan, or for an existing or future debt, or
- (b) makes redeemable or qualifies a duly stamped transfer, intended as a security, of any marketable security,

it shall be chargeable with duty as if it were an agreement or memorandum of an agreement chargeable with duty under ¹⁵[Article No. 5 (c)] of Schedule I.

(2) A release or discharge of any such instrument shall only be chargeable with the like duty].

-
- 10. Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1 of 1974) for "Central Government".
 - 11. Substituted by the Punjab Laws (Adaptation) Order, 1974 (Pb. A.O. 1 of 1974), for "Gazette of India".
 - 12. For notification prescribing such rates, see Finance Department (Central Revenues) Notification No. C. 125-Stamps 25, dated 18-9-25 (Gazette of India, 1925, Pt. I, p. 886), as amended by Notification No. 8-Stamps, dated 7-11-31.
 - 13. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Acts 3(2) and 4, for "British India".
 - 14. Inserted by the Indian Stamp (Amendment) Act, 1904 (XV of 1904), Section 3.
 - 15. Substituted by the Indian Stamp (Amendment) Act, 1912 (I of 1912), Section 3, for "Article No. 5(b)".

24. How transfer in consideration of debt, or subject to future payment, etc., to be charged. Where any property is transferred to any person in consideration, wholly or in part, of any debt due to him, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or encumbrance upon the property or not, such debt, money or stock is to be deemed the whole or part, as the case may be, of the consideration in respect whereof the transfer is chargeable with ad valorem duty:

Provided that nothing in this Section shall apply to any such certificate of sale as is mentioned in Article No. 18 of Schedule I.

Explanation. In the case of a sale of property subject to a mortgage or other encumbrance, any unpaid mortgage-money or money charged, together with the interest (if any) due on the same, shall be deemed to be part of the consideration for the sale:

Provided that, where property subject to a mortgage is transferred to the mortgagee, he shall be entitled to deduct from the duty payable on the transfer the amount of any duty already paid in respect of the mortgage.

Illustrations

(1) A owes B Rs. 1,000. A sells a property to B, the consideration being Rs.500 and the release of the previous debt of Rs.1,000 Stamp-duty is payable on Rs. 1,500.

(2) A sells a property to B for Rs.500 which is subject to a mortgage to C for Rs.1,000 and unpaid interest Rs.200. Stamp-duty is payable on Rs.1,700.

(3) A mortgages a house of the value of Rs.10,000 to B for Rs.5,000. B afterwards buys the house from A. Stamp-duty is payable on Rs.10,000 less the amount of stamp-duty already paid for the mortgage.

25. Valuation in case of annuity, etc. Where an instrument is executed to secure the payment of an annuity or other sum payable periodically, or where the consideration for a conveyance is an annuity or other sum payable periodically, the amount secured by such instrument or the consideration for such conveyance, as the case may be, shall, for the purposes of this Act, be deemed to be,--

- (a) where the sum is payable for a definite period so that the total amount to be paid can be previously ascertained such total amount;
- (b) where the sum is payable in perpetuity or for an indefinite time not terminable with any life in being at the date of such instrument or conveyance the total amount which, according to the terms of such instrument or conveyance, will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due; and
- (c) where the sum is payable for an indefinite time terminable with any life in being at the date of such instrument or conveyance the maximum amount which will or may be payable as aforesaid during the period of twelve years calculated from the date on which the first payment becomes due.

26. Stamp where value of subject-matter is indeterminate. Where the amount or value of the subject-matter of any instrument chargeable with ad valorem duty cannot be, or (in the case of an instrument executed before the commencement of

this Act) could not have been, ascertained at the date of its execution or first execution, nothing shall be claimable under such instrument more than the highest amount or value for which, if stated in an instrument of the same description, the stamp actually used would, at the date of such execution have been sufficient:

¹[Provided that, in the case of the lease of a mine in which royalty or a share of the produce is received as the rent or part of the rent, it shall be sufficient to have estimated such royalty or the value of such share, for the purpose of stamp-duty,--

- (a) when the lease has been granted by or on behalf of ²[the Government], at such amount or value as the Collector may, having regard to all the circumstances of the case, have estimated as likely to be payable by way of royalty or share to ³[the Government] under the lease, or,
- (b) when the lease has been granted by any other person, at twenty thousand rupees a year;

and the whole amount of such royalty or share, whatever it may be, shall be claimable under such lease].

Provided also that, where proceedings have been taken in respect of an instrument under Section 31 or 41, the amount certified by the Collector shall be deemed to be the stamp actually used at the date of execution.

27. Facts affecting duty to be set forth in instrument. The consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein.

⁴[**27-A. Value of immovable property.** (1) Where any instrument chargeable with ad valorem duty under ⁵[Articles 23, 27-A 31 or 33] of Schedule I, relates to an immovable property, the value of the immovable property shall be calculated according to the valuation table notified by the District Collector in respect of immovable property situated in the locality.

(2) Where an instrument, mentioned in sub-section (1), relates to an immovable property consisting of land and structure, it shall state the value of the land or structure separately and the value of the structure stated in the instrument shall, subject to the provision of this Act, be accepted.

1. Substituted by the Indian Stamp (Amendment) Act, 1904 (XV of 1904), Section 4, for the original proviso.
2. The original words "the Secretary of State in Council" were first substituted by the Government of India (Adaptation of Indian Laws) Order, 1937 as amended by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937 and, then, amended by the Stamp (West Pakistan Amendment) Ordinance, 1959 (XLVI of 1959).
3. The original words "the Secretary of State in Council" were first substituted by the Government of India (Adaptation of Indian Laws) Order, 1937 as amended by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937 and, then, amended by the Stamp (West Pakistan Amendment) Ordinance, 1959 (XLVI of 1959).
4. First added by the Punjab Finance Act, 1986 (IV of 1986) and then substituted by the Punjab Finance Act 2010 (VI of 2010).
5. Substituted for the expression "Articles 23, 31 or 33" by the Punjab Finance Act 2012 (XLI of 2012).

s. 28]

(3) Where the value of immovable property stated in an instrument to which sub-section (1) applies is more than the value fixed according to the valuation table, the value declared in the instrument shall be accepted as value for the purposes of stamp duty.

(4) Where the value given in the valuation table notified under sub-section (1), when applied to any immovable property, appears to be excessive, the [Commissioner] or any other person notified by the Government may, on application made to him by the aggrieved person, determine its correct value and for that purpose the provisions of sections 31 and 32 shall apply as nearly as possible.]

COMMENTS

Rate of compensation. Rate of compensation determination of Rs. 500/- p.m. for land in depression and Rs. 6,000/- for land in level was neither arbitrary nor perverse rather same was well reasoned in accordance with record available and did not suffer from any legal infirmity. [PLJ 2014 Lahore 1057]

28. Direction as to duty in case of certain conveyances. (1) Where any property has been contracted to be sold for one consideration for the whole, and is conveyed to the purchaser in separate parts by different instruments, the consideration shall be apportioned in such manner as the parties think fit, provided that a distinct consideration for each separate part is set forth in the conveyance relating thereto, and such conveyance shall be chargeable with ad valorem duty in respect of such distinct consideration.

(2) Where property contracted to be purchased for one consideration for the whole, by two or more persons jointly, or by any person for himself and others, or wholly for others, is conveyed in parts by separate instruments to the persons by or for whom the same was purchased, for distinct parts of the consideration, the conveyance of each separate part shall be chargeable with ad valorem duty in respect of the distinct part of the consideration therein specified.

(3) Where a person, having contracted for the purchase of any property but not having obtained a conveyance thereof, contracts to sell the same to any other person and the property is in consequence conveyed immediately to the sub-purchaser, the conveyance shall be chargeable with ad valorem duty in respect of the consideration for the sale by the original purchaser to the sub-purchaser.

(4) Where a person, having contracted for the purchase of any property but not having obtained a conveyance thereof, contracts to sell the whole, or any part thereof, to any other person or persons and the property is in consequence conveyed by the original seller to different persons in parts, the conveyance of each part sold to a sub-purchaser shall be chargeable with ad valorem duty in respect only of the consideration paid by such sub-purchaser, without regard to the amount or value of the original consideration, and the conveyance of the residue (if any) of such property to the original purchaser shall be chargeable with ad valorem duty in respect only of the excess of the original consideration over the aggregate of the consideration paid by the sub-purchasers:

Provided that the duty on such last-mentioned conveyance shall in no case be less than one rupee.

(5) Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him, which is chargeable with ad valorem duty in respect of the consideration paid by him and is duly stamped accordingly, any conveyance to be afterwards made to him of the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the consideration obtained by such original seller, or, where such duty would exceed five rupees, with a duty of five rupees.

E-Duty by whom payable

29. Duties by whom payable. In the absence of an agreement to the contrary, the expense of providing the proper stamp shall be borne,—

(a) in the case of any instrument described in any of the following Articles of Schedule I, namely:—

- No. 2. (Administration Bond),
- ²[No. 6. (Agreement relating to Deposit of Title-deeds, Pawn or Pledge),
- No. 13. (Bill of Exchange),
- No. 15. (Bond),
- No. 16. (Bottomery Bonds),
- No. 26. (Customs Bond),
- No. 27. (Debenture),
- No. 32. (Further Charge),
- No. 34. (Indemnity-Bond),
- No. 40. (Mortgage-Deed),
- No. 49. (Promissory-Note),
- No. 55. (Release),
- No. 56. (Respondentia Bond),
- No. 57. (Security Bond of Mortgage-Deed),
- No. 58. (Settlement),
- No. 62. (a) (Transfer of shares in an incorporated company or other body corporate),
- No. 62. (b) (Transfer of Debentures, being marketable securities, whether the debenture is liable to duty or not, except debentures provided for by Section 8),

2. Substituted by the Indian Stamp (Amendment) Act, 1904 (XV of 1904), Section 5, for "No. 6 (Agreement to mortgage)".

No. 62. (c) (Transfer of any interest secured by a bond, mortgage-deed or policy of insurance),--

by the person drawing, making or executing such instrument:

- ¹(b) in the case of a policy of insurance other than fire-insurance by the person effecting the insurance:
- (bb) in the case of a policy of fire-insurance by the person issuing the policy);
- (c) in the case of a conveyance (including a re-conveyance of mortgaged property) by the grantee ²[and grantor in equal shares] in the case of a lease or agreement to lease by the lessee or intended lessee:
- (d) in the case of a counterpart of a lease-by the lessor:
- (e) in the case of an instrument of exchange by the parties in equal shares:
- (f) in the case of a certificate of sale by the purchaser of the property to which such certificate relates; and
- (g) in the case of an instrument of partition by the parties thereto in proportion to their respective shares in the whole property partitioned, or, when the partition is made in execution of an order passed by a Revenue-authority or Civil Court or arbitrator, in such proportion as such authority, Court or arbitrator directs.

30. Obligation to give receipt in certain cases. Any person receiving any money exceeding twenty rupees in amount, or any bill of exchange, cheque or promissory note for an amount exceeding twenty rupees, or receiving in satisfaction or part satisfaction of a debt any movable property exceeding twenty rupees in value, shall, on demand by the person paying or delivering such money, bill, cheque, note or property, give a duly stamped receipt for the same.

³[Any person receiving or taking credit for any premium or consideration for any renewal of any contract of fire-insurance, shall, within one month after receiving or taking credit for such premium or consideration, give a duly stamped receipt for the same].

CHAPTER III ADJUDICATION AS TO STAMPS

31. Adjudication as to proper stamp. (1) When any instrument, whether executed or not and whether previously stamped or not, is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to the duty (if any) with which it is chargeable, and pays a fee of such amount (not exceeding five rupees) and not less than ⁴[fifty paise] as the Collector may in each case direct, the Collector shall determine the duty (if any) with which, in his judgment, the instrument is chargeable.

1. Substituted by the Indian Stamp (Amendment) Act, 1906 (V of 1906), Section 4, for the original Cl. (b).
 2. Inserted by Punjab Finance Act, 1992 (VI of 1992).
 3. Inserted by the Indian Stamp (Amendment) Act, 1906 (V of 1906).
 4. Substituted by the Stamp (West Pakistan Amendment) Act, 1964 (II of 1964), for "eight annas".

(2) For this purpose the Collector may require to be furnished with an abstract of the instrument, and also with such affidavit or other evidence as he may deem necessary to prove that all the facts and circumstances affecting the chargeability of the instrument with duty, or the amount of the duty with which it is chargeable, are fully and truly set forth therein, and may refuse to proceed upon any such application until such abstract and evidence have been furnished accordingly:

Provided that--

- (a) no evidence furnished in pursuance of this Section shall be used against any person in any civil proceeding, except in an enquiry as to the duty with which the instrument to which it relates is chargeable; and
- (b) every person by whom any such evidence is furnished shall, on payment of the full duty with which the instrument to which it relates is chargeable, be relieved from any penalty which he may have incurred under this Act by reason of the omission to state truly in such instrument any of the facts or circumstances aforesaid.

32. Certificate by Collector. (1) When an instrument brought to the Collector under Section 31, is, in his opinion, one of a description chargeable with duty, and--

- (a) the Collector determines that it is already fully stamped, or
- (b) the duty determined by the Collector under Section 31, or such a sum as, with the duty already paid in respect of the instrument, is equal to the duty so determined, has been paid,⁵

the Collector shall certify by endorsement on such instrument that the full duty (stating the amount) with which it is chargeable has been paid.

(2) When such instrument is, in his opinion, not chargeable with duty, the Collector shall certify in manner aforesaid that such instrument is not so chargeable.

(3) Any instrument upon which an endorsement has been made under this section, shall be deemed to be duly stamped or not chargeable with duty, as the case may be; and, if chargeable with duty, shall be receivable in evidence or otherwise, and may be acted upon and registered as if it had been originally duly stamped:

Provided that nothing in this Section shall authorise the Collector to endorse--

- (a) any instrument executed or first executed in ⁶[Pakistan] and brought to him after the expiration of one month from the date of its execution or first execution, as the case may be;

5. For refund of this duty in the case of certain instruments, see the Stamp (Specified Instruments) Act, 1924 (XIII of 1924), Section 3(4).

6. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), Section 3 and 2nd schedule (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation", which had been substituted by the Adaptation of Central Acts and Ordinances Order, 1949 (G.G.O. 4 of 1949), Articles 3(2) and 4, for "British India".

-
- (b) any instrument executed or first executed out of ¹[Pakistan] and brought to him after the expiration of three months after it has been first received in ²[Pakistan]; or
- (c) any instrument chargeable with ³[a duty not exceeding twenty-five paise] or any bill of exchange or promissory note, when brought to him, after the drawing or execution thereof, on paper not duly stamped.