



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY.

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PART II.—LEGAL.

(Separate paging is given to each Part in order that it may be filed separately.)

DRAFT ORDINANCES.

MINUTE

The following Draft of a proposed Ordinance is published for general information:—

L. D.—O 12/38

An Ordinance to amend the Stamp Ordinance.

Chapter 189.
(Volume IV.
page 684).

BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows:—

1. This Ordinance may be cited as the Stamp (Amendment) Ordinance, No. of 1941, and shall come into operation on such date as the Governor may appoint by Proclamation published in the *Gazette*

Short title.

2. Section 16 of the Stamp Ordinance, (hereinafter referred to as "the principal Ordinance"), is hereby amended by the substitution for the words "Subject to the provisions of section 42, every instrument" of the words "Every instrument".

Amendment of
section 16 of
Chapter 189.

3. The principal Ordinance is hereby amended by the substitution, for the heading "D—Of Valuations for Duty" immediately above section 18, of the heading "D—Provisions relating to the chargeability of instruments to duty."

Replacement of
heading above
section 18 of
the principal
Ordinance.

Amendment of section 19 of the principal Ordinance

4. Section 19 of the principal Ordinance is hereby amended as follows —

- (1) by the substitution for the words " any stock " of the words " any stock or share " ; and
- (2) by the substitution for the words " such stock " of the words " such stock, share " .

Replacement of section 20 of the principal Ordinance

5. Section 20 of the principal Ordinance is hereby repealed and the following new section substituted therefor —

Bond or mortgage for future advances, how to be charged.

20. A bond or mortgage for the payment or repayment of money to be lent, advanced, or paid, or which may become due upon an account current, either with or without money previously due, shall be charged, where the total amount secured or to be ultimately recoverable is in any way limited, with the same duty as a bond or mortgage for the amount so limited.

Where such total amount is unlimited, the bond or mortgage shall be available for such an amount only as the *ad valorem* duty paid thereon extends to cover

Insertion of new sections 20A and 20B in the principal Ordinance

6. The two following new sections are hereby inserted immediately after section 20 of the principal Ordinance and shall have effect as sections 20A and 20B, respectively, of that Ordinance .—

Bond or mortgage to secure the payment of annuity, &c.

20A. A bond or mortgage to secure the payment of any annuity or periodical payments, by way of repayment or in satisfaction or discharge of any loan, advance or payment intended to be so repaid, satisfied or discharged, shall be chargeable with the same duty as a similar bond or mortgage to secure the payment of the sum of money so lent, advanced or paid.

Instrument connected with mortgage of stock, &c, to be chargeable as agreement

20B. (1) Where an instrument (not being a promissory note or bill of exchange) makes redeemable or qualifies a duly stamped transfer of any stock, share or marketable security and such transfer is intended as security for money advanced or to be advanced by way of loan or for an existing or future debt, it shall be chargeable with duty as if it were an agreement

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

Replacement of section 23 of the principal Ordinance

7. Section 23 of the principal Ordinance is hereby repealed and the following new section substituted therefor :—

How consideration consisting of periodical payments to be charged.

23. (1) Where the consideration, or any part of the consideration, for a conveyance consists of money payable periodically for a definite period not exceeding twenty years, so that the total amount to be paid can be previously ascertained, the conveyance shall be chargeable in respect of that consideration with *ad valorem* duty on such total amount.

(2) Where the consideration, or any part of the consideration, for a conveyance consists of money payable periodically for a definite period exceeding twenty years or in perpetuity, or for any indefinite period not terminable with life, the conveyance shall be chargeable in respect of that consideration with *ad valorem* duty on the total amount which will or may, according to the terms of the instrument, be payable during the period of twenty years calculated from the date on which the first payment becomes due.

(3) Where the consideration, or any part of the consideration, for a conveyance consists of money payable periodically during any life or lives, the conveyance shall be chargeable in respect of that consideration with *ad valorem* duty on the amount which will or may, according to the terms of the instrument, be payable during the period of twelve years calculated from the date on which the first payment becomes due.

Insertion of new section 23A in the principal Ordinance

8. The following new section is hereby inserted immediately after section 23 of the principal Ordinance and shall have effect as section 23A of that Ordinance .—

Instrument for the creation or sale of an annuity.

23A Any instrument for the creation or sale of any annuity or other right to a periodical payment not before in existence, whether created by actual grant or conveyance or only secured by bond, warrant of attorney, covenant, agreement or otherwise, shall be chargeable with the same

duty as on a conveyance of movable property for the consideration set forth in such instrument. If no consideration is so set forth, the consideration shall be deemed to be—

- (a) where the annuity or periodical payment is for a definite period not exceeding twenty years so that the total amount to be paid can be previously ascertained, such total amount,
- (b) where the annuity or periodical payment is for a definite period exceeding twenty years, or in perpetuity, or for any indefinite period not terminable with life, the total amount which according to the terms of such instrument will or may be payable during the period of twenty years calculated from the date on which the first payment becomes due;
- (c) where the annuity or periodical payment is for a period terminable with any life or lives, the amount which will or may according to the terms of such instrument be payable during the period of twelve years calculated from the date on which the first payment becomes due.

9. The following new section is hereby inserted immediately after section 25 of the principal Ordinance and shall have effect as section 25A of that Ordinance :—

Insertion of new section 25A in the principal Ordinance

25A. (1) In the case of any instrument of conveyance or transfer chargeable with duty on the consideration expressed therein, where it appears to the Commissioner of Stamps—

Power of Commissioner to ascertain true consideration and true value.

- (a) that the consideration so expressed did not wholly pass at the time of execution of the instrument; or
- (b) that by reason of the inadequacy of the sum paid as consideration or other circumstances, a valuable benefit was conferred on the person to whom the property was conveyed or transferred—

he may call upon the parties to the instrument to furnish proof to his satisfaction that the transaction embodied in such instrument was a *bona fide* conveyance or transfer for a consideration wholly pecuniary. Where no proof is furnished or the proof furnished is, in the opinion of the Commissioner of Stamps, inadequate, the instrument shall be deemed to be a conveyance for a consideration partly pecuniary and partly other than pecuniary, and shall be chargeable accordingly.

(2) In the case of any instrument chargeable with duty on the value of the property set forth therein, where it appears to the Commissioner of Stamps that the value of such property has not been truly set forth therein he may ascertain the true value thereof and treat such instrument as not duly stamped, and the provisions of Chapter IV. of this Ordinance shall thereupon apply to such instrument.

10. The following new sections are hereby inserted immediately after section 26 of the principal Ordinance and shall have effect as sections 26A and 26B, respectively, of that Ordinance.—

Insertion of new sections 26A and 26B in the principal Ordinance

26A. (1) Any agreement or contract for the conveyance or transfer—

Certain agreements to be chargeable with *ad valorem* duty.

- (a) of any business or share in any business; or
- (b) of any other property except—
 - (i) immovable property, or
 - (ii) property locally situate out of Ceylon, or
 - (iii) goods, wares or merchandise, or
 - (iv) stocks, shares or marketable securities, or
 - (v) any ship or vessel or part interest, share or property of, or in, any ship or vessel,

shall be charged with the same *ad valorem* duty, to be paid by the grantee or transferee, as if it were an actual conveyance or transfer of the business, or share in the business, or such other property, as the case may be, agreed or contracted to be conveyed or transferred.

(2) Where the grantee or transferee has paid the said *ad valorem* duty, and before having obtained a conveyance or transfer of the property enters into an agreement or contract for the conveyance or transfer of the same, the agreement or contract shall be charged, if the consideration

for the conveyance or transfer is in excess of the consideration for the original conveyance or transfer, with the *ad valorem* duty payable in respect of such excess consideration, and in any other case with the fixed duty of fifty cents under item 4 of Part I. of Schedule A or of ten rupees under item 5 of Part I. of that Schedule, as the case may require.

(3) Where duty has been duly paid in conformity with the foregoing provisions, the conveyance or transfer made to the grantee or transferee or sub-grantee or sub-transferee, or any other person on his behalf or by his direction, shall not be chargeable with any duty, and the Commissioner of Stamps, upon application, shall by endorsement denote the payment of the *ad valorem* duty upon the conveyance or transfer upon production of the agreement or contract, or agreements or contracts, duly stamped

(4) Where such agreement or contract is stamped under sub-section (2) with a fixed duty of fifty cents or of ten rupees, the agreement or contract shall be regarded as duly stamped for the mere purpose of proceeding to enforce specific performance or to recover damages for the breach thereof

(5) The *ad valorem* duty paid upon any such agreement or contract shall be returned by the Commissioner of Stamps if it is proved to his satisfaction that the agreement or contract was subsequently rescinded or annulled or was, for any other reason, not carried into effect

How instruments effecting exchange are to be stamped.

26B. Where there are several instruments of conveyance or transfer for effecting an exchange of property, the instrument first executed shall be stamped with the duty, if any, with which such exchange is chargeable, and all the other instruments shall be stamped with a duty of one rupee

Provided, however, that the preceding provisions of this section shall not apply to any such subsequent instrument executed after a period of three months from the date on which the first instrument was executed.

Amendment of section 29 (1) of the principal Ordinance

11. Section 29 of the principal Ordinance is hereby amended in sub-section (1) of that section as follows —

(1) by the substitution for the words “and the person” of the words “together with a copy thereof, and the person”; and

(2) by the substitution for the words “with which in his judgment the instrument is chargeable” of the words “with which in his opinion the instrument is chargeable, and shall notify his determination to such person by notice in writing.”

Amendment of section 30 (3) of the principal Ordinance

12. Section 30 of the principal Ordinance is hereby amended in sub-section (3) of that section by the substitution, for the words “five cents” occurring in paragraph (c) of the Proviso, of the words “six cents”

Replacement of section 31 of the principal Ordinance

13. Section 31 of the principal Ordinance is hereby repealed and the following section substituted therefor.—

Appeal against determination under section 29.

31. (1) Any person dissatisfied with the opinion of the Commissioner of Stamps under section 29 may appeal to the Supreme Court in the manner and subject to the conditions hereinafter provided.

(2) Any such person who desires to appeal (hereinafter referred to as the “appellant”) shall, within ten days of the date of the notification of the opinion of the Commissioner of Stamps under section 29, deliver to the Commissioner of Stamps a written notice of objection which shall set out specifically the several grounds on which it is contended that the opinion is erroneous, and, where the appellant relies on any evidence other than the evidence, if any, furnished under section 29 (2), he shall attach to such notice any affidavits or other documents containing such evidence

At or before the time at which a notice of objection is given under this section the appellant shall pay to the Commissioner of Stamps a fee of twenty rupees.

(3) The Commissioner of Stamps may call for any further evidence, whether by affidavit or otherwise, and shall consider the grounds of objection contained in the notice of objection delivered under sub-section (2), the evidence adduced under this section and section 29 and any other evidence available to him. As soon as may be after the delivery to him of a valid notice of objection under sub-section (2), the Commissioner of Stamps shall issue to the appellant a stated case which shall set out his adjudication in the matter and his reasons therefor.

In such adjudication the Commissioner of Stamps may vary or amend the opinion given under section 29

(4) The appellant may at any time within thirty days after receiving the stated case transmit such case to the Supreme Court, and shall at or before such time give to the Commissioner of Stamps notice in writing of the transmission of such stated case

(5) Save with the consent of the Supreme Court and subject to such terms as the Court may determine, the appellant shall not at the hearing before the Supreme Court be allowed to rely upon any ground not specifically set out in the notice of objection or to adduce any evidence not adduced before the Commissioner of Stamps.

(6) Any two or more Judges of the Supreme Court may cause a stated case to be sent back for amendment and thereupon the case shall be amended accordingly

(7) Any two or more Judges of the Supreme Court shall hear and determine the appeal and if the instrument in question is in the opinion of the Court chargeable with any duty shall determine the duty with which it is chargeable. The Court may also make such order in regard to costs as to the Court may seem fit

(8) For the purposes of stamp duty under Part II of Schedule A, all proceedings before the Supreme Court under this section shall be deemed to be civil proceedings of the value of five thousand rupees or of the amount of stamp duty as determined by the Commissioner of Stamps in his adjudication under sub-section (3), whichever is greater, and the case stated, together with all books, documents and papers attached thereto by the Commissioner of Stamps, shall be deemed to be a single exhibit

(9) For the purpose of enabling the Commissioner of Stamps or the appellant to appeal to His Majesty in Council against any order of the Supreme Court under sub-section (7) and for the purpose of the application of the Appeals (Privy Council) Ordinance—

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(a) an order made by the Supreme Court under sub-section (7) shall be deemed to be a final judgment of the Supreme Court in a civil action between the Commissioner of Stamps and the appellant,

(b) the value of the matter in dispute in such civil action shall be deemed to be five thousand rupees or the amount of the duty as determined by the Supreme Court, whichever is greater, and

(c) the Commissioner of Stamps on any appeal to His Majesty in Council shall not be required to make any deposit or pay any fee or furnish any security prescribed by or under the Appeals (Privy Council) Ordinance.

14. Section 34 of the principal Ordinance is hereby amended by the substitution for the words " five cents " of the words " six cents "

Amendment of section 34 of the principal Ordinance

15. Section 35 of the principal Ordinance is hereby amended by the substitution for the words " five cents ", occurring in paragraph (a) of the Proviso to that section, of the words " six cents "

Amendment of section 35 of the principal Ordinance

16. Section 38 of the principal Ordinance is hereby repealed

Repeal of section 38 of the principal Ordinance

17. Section 39 of the principal Ordinance is hereby amended by the omission of the words " or of duty as provided by section 38 "

Amendment of section 39 of the principal Ordinance

18. Section 41 of the principal Ordinance is hereby amended as follows :—

Amendment of section 41 of the principal Ordinance.

(1) in sub-section (1)—

(a) by the substitution for the words " five cents " of the words " six cents " ;

(b) by the substitution, for all the words from " falls short of five rupees . " to the end of that sub-section, of the words " falls short of five rupees. " ;

(2) by the re-numbering of sub-sections (2) to (6) of that section as sub-sections (4) to (8), respectively ; and

(3) by the insertion immediately after sub-section (1) of that section of the two following new sub-sections :—

“ (2) The Commissioner of Stamps may, if he thinks fit, remit any part or the whole of the penalty prescribed by sub-section (1)

(3) Where the correct amount of stamp duty has been paid on an instrument and it has been impounded only because it has been written in contravention of section 10 or section 12, or because of an irregularity in any endorsement thereon or by reason of the use of a stamp of sufficient amount but of improper description or because it has not been stamped at the time required by law or because the stamp has not been cancelled in accordance with the law, the Commissioner of Stamps if he is satisfied that the irregularity was due to accident, mistake or urgent necessity, may on payment of a penalty certify by endorsement that the proper duty has been paid, and every instrument so endorsed shall be deemed to have been duly stamped from the date of its execution.”

Repeal of section 42 of the principal Ordinance

19. Section 42 of the principal Ordinance is hereby repealed

Amendment of section 43 of the principal Ordinance.

20. Section 43 of the principal Ordinance is hereby amended by the substitution for the words “ five cents ” of the words “ six cents ”.

Amendment of section 46 of the principal Ordinance.

21. Section 46 of the principal Ordinance is hereby amended by the omission of the word and figures “ section 38,”.

Amendment of section 49 of the principal Ordinance.

22. Section 49 of the principal Ordinance is hereby amended by the substitution for the words “ five cents ” of the words “ six cents ”.

Amendment of section 55 of the principal Ordinance.

23. Section 55 of the principal Ordinance is hereby amended as follows :—

(1) by the re-numbering of that section as section 55 (1); and

(2) by the addition at the end of that section as so re-numbered of the following, which shall have effect as sub-section (2) of that section :—

“ (2) Where any stamp duty has been paid by composition, allowance may be made in respect of such duty in the same circumstances and subject to the same conditions as if such duty had been paid in stamps affixed to the instrument in respect of which the right to compound has been granted.”

Insertion of new section 61A in the principal Ordinance

24. The following new section is hereby inserted in Chapter V of the principal Ordinance immediately after section 61, and shall have effect as section 61A of that Ordinance —

No right of action against Crown for refund

61A Nothing in this Ordinance shall confer or be deemed to confer any right of action against the Crown for the recovery or return of any moneys paid as duty.

Amendment of section 90 of the principal Ordinance.

25. Section 90 of the principal Ordinance is hereby amended in the definition of “ broker’s note ” by the substitution for the words “ of any stock or marketable security ; ” of the words “ on account of such principal, of any goods, stock, share, debenture or marketable security, or of any rubber coupon, tea coupon or coupon credit issued or granted under the authority of any Ordinance for the time being in force for the control of the production or export of rubber or of tea, as the case may be ; ”.

Amendment of Schedule A, Part I., to the principal Ordinance.

26. Part I of Schedule A to the principal Ordinance is hereby amended as follows :—

(1) in item 1, by the substitution for the figures “ 0 5 ”, appearing in the column headed “ Duty. ”, of the figures “ 0 6 ” ;

(2) by the substitution for item 2 of the following new item :—

“ 2. Affidavit or affirmation made for the purpose of being filed, read, or used in any Court, and not otherwise provided for in Part II. or Part III. 1 0 ” ;

(3) by the repeal of item 3 and the Exemptions appearing between that item and item 4, and the substitution therefor of the following :—

“ 3. Affidavit or affirmation not made for the purpose of being filed, read, or used in any Court 1 0 ”

EXEMPTION

Affidavit or affirmation made upon a requisition of any Public Officer or required by any written law to be made.”;

- (4) in exemption (c) appearing after item 4, by the substitution for the word “merchandise;” of the words “merchandise, not being a broker’s note chargeable under item 17;” ,
- (5) in item 6, by the substitution for the words “Agreement to secure the repayment of a loan made by hypothecation of title deeds or other valuable security, or upon the hypothecation of movable property when such loan is repayable within one year and is—” of the following —
- “ Agreement relating to the deposit of title deeds, pawn or pledge, that is to say, any instrument evidencing an agreement relating to—
- (i) the deposit of title deeds or instruments constituting or being evidence of the title of any property whatever; or
- (ii) 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 for the payment of an existing or future debt, when such loan or debt is repayable or payable within one year and is—” ;
- (6) in item 14—
- (a) by the substitution for the figures “ 0 5 ”, appearing in the column headed “ Duty. ”, of the figures “ 0 6 ” ;
- (b) by the substitution for the words “ on demand ” wherever those words occur collectively in that item, of the words “ on demand or at sight or on presentation or within three days after date or sight, ” ,
- (7) in item 16—
- (a) by the substitution, for paragraph (3) of that item, of the following —
- “ (3) Mortgage of a crop, including an instrument evidencing an agreement to secure the repayment of a loan made upon any mortgage of a crop, whether the crop is or is not in existence at the time of the mortgage—
- (a) when the loan is repayable not more than three months from the date of the instrument—
- for every Rs. 200 or part thereof 0 15
- (b) when the loan is repayable more than three months but not more than eighteen months from the date of the instrument—
- for every Rs. 200 or part thereof 0 30 ” ;
- (b) by the repeal of paragraphs (4) and (5) of that item ;
- (c) by the substitution for paragraph (6) of that item of the following —
- “ (6) Bond or mortgage whereby any sum of money is hypothecated as security for the due performance of any act or acts, or for fulfilling any obligation under any contract or otherwise, or for indemnifying any person in respect of any damage, loss or expense.— The same duty as on a bond or mortgage to secure the payment of such sum of money. ” ;
- (8) in item 17, by the substitution for the figures “ 0 5 ”, appearing in the column headed “ Duty. ”, of the figures “ 0 6 ” ;
- (9) in item 18, by the substitution for the figures “ 0 5 ”, appearing in the column headed “ Duty. ”, of the figures “ 0 6 ” ;

(10) in item 23—

(a) by the insertion, immediately after paragraph (2) of that item, of the following new paragraph—

“(2a) Transfer or assignment—

- (i) of a bond or mortgage, whether with or without consideration.—The same duty with which such bond or mortgage is chargeable
- (ii) of a lease for a consideration wholly pecuniary.—The same duty as on a conveyance of immovable property for such consideration.
- (iii) of a lease for a consideration not wholly pecuniary or without consideration —The same duty as on a conveyance of immovable property for a consideration equal to the total rent payable for the unexpired period of the lease not exceeding six years
- (iv) of a judgment debt whether with or without consideration —The same duty as on a bond for the amount due under the decree
- (v) of a policy of insurance for a pecuniary consideration —The same duty as on a conveyance of movable property for such consideration
- (vi) of a policy of insurance for a consideration not wholly pecuniary or without consideration —The same duty as on a conveyance of movable property for a consideration equal to the surrender value of such policy at the time of execution of the instrument.
- (vii) of a business—

(a) for a consideration wholly pecuniary —Either the duty on a conveyance of immovable property for such consideration added to the amount, including accrued interest, due on mortgage debts charged on the immovable property of the business, or the duty, calculated in accordance with the foregoing paragraphs, as on a conveyance of all the assets of the business, without any deduction for liabilities, whichever is less,

(b) for a consideration not wholly pecuniary or without consideration —Either the duty on a conveyance of immovable property for a consideration equal to the net value of the business added to the amount, including accrued interest, due on mortgage debts charged on the immovable property of the business, or the duty, calculated in accordance with the foregoing paragraphs, as on a conveyance of all the assets of the business, without any deduction for liabilities, whichever is less.”;

(b) by the insertion, immediately after paragraph (4) of that item, of the following new paragraph —

“(4a) Conveyance or transfer of property by an executor or administrator of the estate of a deceased person without consideration to a trustee appointed under the will of such deceased person. . . 10 0”;

(c) by the repeal of paragraph (8) of that item and the addition, immediately after paragraph (7) of that item, of the following new paragraphs—

“(7a) Conveyance or transfer of any stocks, shares, debentures or marketable securities for

nominal consideration or without consideration and bearing an endorsement signed by the transferor and the transferee to the effect that the transfer is made for the purpose of securing the repayment of an advance or loan or of further securing the repayment of any sum already advanced . . . 1 0

Provided that a re-conveyance of such property to the original transferor shall be charged with the same duty as such conveyance.

(8) Conveyance or transfer of property of any kind whatsoever not charged in this Schedule or expressly exempted from stamp duty.—The same duty as on a conveyance or transfer for a pecuniary consideration equal to the value of such property.”;

(11) by the substitution for item 29 of the following new item :—

“ 29. (1) Deed or instrument for the exchange of any property, otherwise than between co-heirs.—The same duty as on a conveyance for a consideration equal to the value of the property of greatest value as set forth in such instrument.

(2) Deed or instrument for the exchange of any property between co-heirs—

(a) if of equal value 1 0

(b) if pecuniary consideration for equality is given—the same duty as on a conveyance or transfer for the consideration so given.”;

(12) in items 31, 36, 49 and 52, by the substitution, for the figures “ 0 5 ” occurring in each of those items in the column headed “ Duty. ”, of the figures “ 0 6 ”; and

(13) by the repeal of items 53, 54, 55, 56, 57 and 58.

27. Part II. of Schedule A of the principal Ordinance is hereby amended as follows :—

Amendment of
Schedule A,
Part II, of
the principal
Ordinance

(1) in the first column of the table of duties on law proceedings in the District Courts, by the insertion immediately after item “ 36 Notice to decree-holder. ”, of the following items .—

“ 36A. Order staying sale.

36B. Order confirming sale.”;

(2) in the table of duties on law proceedings in the Courts of Requests, by the insertion immediately after item “ (z) Notice to decree-holder. ”, of the following item :—

“ (zz) Order staying sale.”;

(3) under the heading “ F. Miscellaneous. ”—

(a) by the substitution for paragraph (h) of the following new paragraph .—

“ (h) All documents and process or other proceedings under the Trusts Ordinance shall be charged as in an action of the value of Rs. 5,000.”;

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(b) by the addition of the following new paragraph immediately after paragraph (1) :—

“ (m) All documents and process or other proceedings under the Companies Ordinance, No. 51 of 1938, shall be charged as in an action of the value of Rs 5,000.”; and

(c) by the addition at the end of the Exemptions under that heading of the following new paragraph :—

“ (c) Security bonds in curatorship proceedings where the value of the property administered is Rs. 5,000 or under.”.

Objects and Reasons.

The object of this Bill is to amend the Stamp Ordinance (Chapter 189) so as to clarify the law in regard to the charge of stamp duty in certain cases and to make some alterations relating to matters of procedure which experience has shown to be desirable or necessary.

2. The duty of five cents at present payable on bills of exchange and promissory notes payable on demand, receipts for amounts exceeding twenty rupees, broker's notes, &c., is to be raised to six cents. Sub-clauses (1), (6), (8), (9) and (12) of Clause 26 make the amendments necessary for this purpose in Part I. of Schedule A, and Clauses 12, 14, 15, 18, 20 and 22 effect consequential amendments in various sections of the principal Ordinance.

Clauses 5 to 8 deal in some detail with the duty payable on bonds to secure future advances, annuities, periodical payments, &c., and are to a large extent based on corresponding provisions in the English Act of 1891.

The new section 20B is intended to facilitate the raising of money on the security of shares and other marketable securities by making the instrument executed in such a case chargeable with duty as an agreement.

Clause 9 deals with the steps to be taken by the Commissioner to ascertain the true consideration passing on the execution of any instrument or the true value of any property conveyed by any instrument, and incorporates in the principal Ordinance what has, in fact, been the practice for a long period.

Clause 10 introduces two new sections. Section 26A declares certain agreements to be chargeable with *ad valorem* duty and section 26B deals with the stamping of instruments effecting exchanges of property. These provisions are adapted from sections 59 and 73 respectively of the English Act.

3 Clauses 11 and 13 are intended to amplify the provisions of the principal Ordinance regarding appeals to the Supreme Court. Provision is made in new section 31 for the appellant to obtain from the Commissioner of Stamps a written adjudication (called a "stated case") containing the Commissioner's reasons for his determination. The appellant will then, if he wishes to proceed with the appeal, transmit the case to the Supreme Court where it will be heard and determined by two Judges of that Court.

4. Clause 23 adapts the provisions of section 55, which deals with the allowances which the Commissioner may make for stamps, to cases where duty has been paid by composition and not by stamps affixed to an instrument. The cases in which refunds or allowances may be made by the Commissioner are dealt with in the principal Ordinance and the object of Clause 24, which is in the same terms as section 58 (2) (b) of the Estate Duty Ordinance (Chapter 187), is to make it clear that no right of action against the Crown is conferred by the principal Ordinance.

5 Clauses 26 and 27 make certain alterations in the rates of stamp duty payable under Schedule A to the principal Ordinance. Provision is made for charging the mortgage of a crop with a reduced rate of duty. The items relating to the transfer or assignment of bonds, leases, judgment-debts and policies of insurance are clarified and re-arranged. A new item provides for the manner in which stamp duty on the conveyance of a business is to be determined.

6 The reduction of the rates of stamp duty provided by the Bill, *e.g.*, on certain kinds of bonds, on crop mortgages, conveyances of stocks, shares, &c., as security for loans, deeds of exchange, &c., will cause some reduction of the revenue from stamp duties, which, however, will not be appreciable. On the other hand the increase in the stamp duty on receipts, cheques, &c., from five cents to six cents will more than off-set such reduction.

Financial Secretary's Office,
Colombo, July 7, 1941.

Н. J. НУХНАМ,
Financial Secretary.

MINUTE.

The following Draft of a proposed Ordinance is published for general information:—

**An Ordinance to amend the Control of Prices Ordinance,
No. 39 of 1939.**

BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows:—

Short title.

1. This Ordinance may be cited as the Control of Prices (Amendment) Ordinance, No. of 1941.

Amendment
of section 3 of
Ordinance
No. 39 of 1939.

2. Section 3 of the Control of Prices Ordinance, No. 39 of 1939, (hereinafter referred to as "the principal Ordinance") is hereby amended as follows:—

(1) in sub-sections (5) and (6), by the substitution in each of those sub-sections, for the words "Executive Committee", wherever they occur collectively, of the word "Minister";

- (2) by the repeal of sub-sections (7) to (14) ;
 (3) by the insertion, immediately after sub-section (6) of the following new sub-sections :—

“(7) Where an order has been approved by the Minister, notification of such approval shall be published in the *Gazette* ; and upon such notification, the order shall be deemed to be as valid and effectual as if it were herein enacted.

(8) Notwithstanding that any order made under sub-section (1) in respect of any article may have been approved by the Minister, that order may at any time be revoked by the Controller—

- (a) by a new order made under that sub-section in respect of that article ; or
 (b) by order published in the *Gazette* (hereinafter referred to as a “Revocation Order”).

Every Revocation Order shall take effect on the date of the publication thereof in the *Gazette* or on such other date as may be specified therein ; and nothing in sub-sections (5), (6) and (7) shall apply in the case of a Revocation Order.

(9) The rescission by the Minister or the revocation by the Controller of any order made under sub-section (1) in respect of any article shall not be deemed to prejudice or affect the power of the Controller to make a new order under that sub-section in respect of that Article.”

3. Section 5 of the principal Ordinance is hereby amended by the addition at the end thereof of the following new sub-section :—

“(3) The Controller and every Deputy or Assistant Controller of Prices shall be deemed to be a peace officer within the meaning of the Criminal Procedure Code for the purpose of exercising any power conferred on a peace officer by that Code.”

Amendment of section 5 of the principal Ordinance.

Cap 16.

Objects and Reasons.

Section 3 of the Control of Prices Ordinance, No. 39 of 1939, requires that an order made by the Controller, fixing the maximum price above which an article shall not be sold, must be placed before the Executive Committee of Labour, Industry and Commerce for approval and thereafter be submitted to the Board of Ministers, the State Council and the Governor ; the section also provides that an order will be deemed to be rescinded if it is not confirmed or ratified by the Board of Ministers or the State Council or the Governor. The provisions requiring this procedure to be followed were inserted in the Ordinance in accordance with suggestions made by the Secretary of State, but it has been found, in practice, that the procedure is too cumbersome. The object of this Bill is to amend section 3 of the principal Ordinance by the omission of the provisions requiring that an order should be submitted successively to the Executive Committee, the Board of Ministers, the State Council and the Governor and by the substitution of provision requiring that an order must be placed before the Minister for Labour, Industry and Commerce whose decision will be final.

The opportunity has been taken to insert in section 5 provision to the effect that the Controller or a Deputy or an Assistant Controller may exercise the powers of a peace officer in relation to offences under the Ordinance.

G. C. S. COREA,
 Minister for Labour, Industry and Commerce.
 Colombo, July 3, 1941.