

THE STAMP ACT, 1899**¹ACT NO. II OF 1899**

[27th January, 1899]

An Act to consolidate and amend *the* law relating to Stamps

WHEREAS it is expedient to consolidate and amend *the* law

¹*For Statement of Objects and Reasons, see Gazette of India, 1897, Pt. V, p. 175; for Report of the Select Committee, see ibid., 1898, pt. V, p. 231; and for Proceedings in Council, see ibid., 1898, Pt. VI, pp. 10 and 278; and ibid., 1899, Pt. VI, p. 5.*

The Act has been amended in its application to: –

(1) Bombay, by the Bombay Finance Act, 1932 (Bom. 2 of 1932), as amended by Bombay Acts 1 of 1935 and 3 of 1936;

(2) the Punjab and the N.W.F.P., by the Indian Stamp (Punjab Amendment) Act, 1922 (Punjab 8 of 1922), the Indian Stamp (Punjab Amendment) Act, 1924 (Punjab 1 of 1924) and the Indian Stamp (N.W.F.P. Amendment) Act, 1948 (N.W.F.P. Act 15 of 1948): see also the Punjab Stamp (Amendment) Act, 1935 (Punjab 1 of 1935), the Punjab Act 14 of 1948, s. 2 and Act 11 of 1949, s. 2. Applying only to the Punjab;

(3) Sind, by the Indian Stamp (Sind Amendment) Act, 1938 (Sind 12 of 1938);

(4) Capital of the Federation, by the Finance Act, 1952 (4 of 1952); and

(5) The Province of West Pakistan (except the Capital of the Federation) by West Pakistan Act No. 16 of 1957, s. 3 (3) and 3rd Sch. (w.e.f. 14-10-55).

It has been applied to Phulera in the Excluded Area of Upper Tanawal to the extent the Act is applicable in the N.W.F.P., subject to certain modifications, and extended to the Excluded Area of Upper Tanawal (N.W.F.P.) other than Phulera with effect from such date and subject to such modifications as may be notified, see N.W.F.P. (Upper Tanawal Excluded Area) Laws Regulation, 1950.

This Act and all rules, notifications, declarations and orders made under it which were in force immediately before the first day of April, 1952, have been extended to and brought into force in the State of Bahawalpur, see the Bahawalpur (Extension of Laws) Order, 1952 (G.G.O. 2 of 1952), Art. 2.

It has been extended to Khairpur State, see the Khairpur (Federal Laws) (Second Extension) Order, 1953 (G.G.O. 14 of 1953).

It has also been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G.G.O. 3 of 1950); and applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I, p. 1499.

It has also been extended to the Baluchistan States Union, see G.G.O. 18 of 1953.

This Act has been amended in its application to the Province of West Pakistan by W. Pak. Ord. 46 of 1959 (with effect from the 15th August, 1959).

It has also been amended in its application to the Province of Punjab by Punjab Act XXVI of 1973, s. 2.

The Act, as in force in the North-West Frontier Province immediately before the commencement of N.W.F.P., Regulation No II of 1974, has been applied to the Provincially Administered Tribal Areas of Chitral, Dir, Kalam, Swat and Malakand Protected Area, by N.W.F.P. Regulation No. II of 1974, s. 3.

It has also been amended in its application to the Province of Sind by Sind Act XV of 1975, s. 3.

This Act has been amended to the extent of Islamabad Capital Territory see, Ordinance No. XXVII of 1981, s. 5 and 4th Sch.

This Act has also been amended in its application to the Province of N.W.F.P. by (1) N.W.F.P. Act VII of 1977. (2) N.W.F.P. Ord. VII of 1976 (3) N.W.F.P. Ord. III of 1977. (4) N.W.F.P. Ord. XII of 1977. (5) N.W.F.P. Ord. XVII of 1981.

This Act has further been amended in its application to the Province of Baluchistan by Baluchistan Ord. XIV of 1983.

This Act has also been amended in its application to the Province of Punjab by Punjab Ord. 1 of 1984 and Ordinance XXXVII of 1984.

This Act has also been amended in its application to the Province of Sind by Ordinance No. XVI of 1981 and Sind XXX of 1984.

Relating to stamps; it is hereby enacted as follows:-

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement. - (1) This Act may be called the ^{1*} Stamp Act, 1899.

²[(2) It extends to *the* whole of Pakistan.]

(3) It shall come into force on *the* first day of July 1899.

2. Definitions. - In this *Act*, unless there is something repugnant in *the* subject or context, --

(1) **“Banker”**. “Banker” includes a bank and any person acting as a banker:

(2) **“Bill of exchange”**. “bill of exchange” means a bill of exchange as defined by *the* Negotiable Instruments *Act*, 1881 (XXVI of 1881), and includes also Hindi, and any other document entitling or purporting to entitle any person, whether named therein or not, to payment by any other person of, or to draw upon any other person for, any sum of money:

(3) “Bill of exchange payable on demand”. - “Bill of exchange payable on demand” includes--

(a) an order for *the* payment of any sum of money by a bill of exchange or promissory note, or for *the* delivery of any bill of exchange or promissory note in satisfaction of any sum of money, or for *the* payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen;

(b) An order for *the* payment of any sum of money weekly monthly or at any other stated periods; and

(c) A letter of credit, that is to say, any instrument by which one person authorizes another to give credit to *the* person in whose favor it is drawn:

(4) “Bill of lading”. - “bill of lading” includes a “through bill of lading,” but does not include a mate’s receipt:

(5) Bond. - “Bond” includes--

(a) Any instrument whereby a person obliges himself to pay money to another, on condition that *the*

It has further been amended in its application to the Province of West Pakistan by W. Pak. Act 2 of 1964, s. 2 (w.e.f. to be notified later on).

¹*The word “Indian” omitted by A.O., 1949, Sch.*

²*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for sub-section (2) as amended by the Repealing and Amending Act, 1914 (10 of 1914), s. 3 and II Sch., A.O., 1949, Sch. and the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s. 8.*

Obligation shall be void if a specified *act* is performed, or is not performed, as *the* case may be;

(b) any instrument attested by a witness and not payable to order or bearer, whereby a person obliges himself today money to another; and

(c) Any instrument so attested, whereby a person obliges himself to deliver grain or other agricultural produce to another:

(6) “Chargeable.”- “chargeable” means, as applied to an instrument executed or first any other instrument, chargeable under *the* law in force in ¹[Pakistan] when such instrument was executed or, where several persons executed *the* instrument at different times, first executed:

(7) “Cheese”. - “cheese” means a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand:

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(9) “Collector”. “Collector”--

³[(a) means *the* Collector of a district; and]

(b) includes a Deputy Commissioner and any officer whom ⁴[*the* Provincial Government] may, by notification in *the* official Gazette, appoint in this behalf:

(10) “Conveyance”.- “conveyance” includes a conveyance on sale and every instrument by which property, whether moveable or immovable, is transferred inter vivo and which is not otherwise specifically provided for by Schedule I :

(11) “Duly stamped”.- “duly stamped”, as applied to an instrument, means that *the* instrument bears an adhesive or impressed *stamp* of not less than *the* proper amount and that such *stamp* has been affixed or used in accordance with *the* law for *the* time being in force in ¹[Pakistan] :

(12) “executed and “execution”. - “executed” and “execution”, used with reference to instruments, mean “signed” and ”signature”:

¹ Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for “the Provinces and the Capital of the Federation” which had been subs. by A.O., 1949, Arts. 3(2) and 4, for “British India”.

² Cl. (8) defining “Chief Controlling Revenue-authority”. rep. by A.O., 1937 : see now definition in s. 3 (9a) of the General Clauses Act, 1897 (10 of 1897).

³ Subs. by A.O., 1949, Sch., for the original sub-clause (a).

⁴ The Original words “the L.G.” were first subs. by A.O., 1937, and then amended by A.O., 1964, Art. 2 and Sch. (with effect from the 27th May, 1964), to read as above.

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(13) “Impressed stamp”. - “Impressed stamp” includes—

- (a) Labels affixed and impressed by *the* proper officer, and
- (b) Stamps embossed or engraved on stamped paper:

(14) “Instrument”.- “instrument” includes every document by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded:

(15) “Instrument of partition”.- “instrument of partition” means any instrument whereby co-owners of any property divide or agree to divide such property in severalty, and includes also a final order for effecting partition passed by any Revenue authority or any Civil Court and an award by an arbitrator directing a partition:

(16) “Lease”. - “Lease” means a lease of immoveable property, and includes also—

- (a) A pitta;
- (b) A kabuliyat or other undertaking in writing, not being a counter-part of a lease, to cultivate occupy or pay or deliver rent for, immoveable property;
- (c) Any instrument by which tolls of any description are let;
- (d) Any writing on an application for a lease intended to signify that *the* application is granted;

²[(16A) “Marketable security”.- “marketable security” means a security of such a description as to be capable of being sold in any stock market in ³[Pakistan] ⁴* * * * *:]

(17) “Mortgage-deed”.- “ mortgage-deed” includes every instrument whereby, for *the* purpose of securing money advanced, or to be advanced, by way of loan, or an existing or future debt, or *the* performance of an engagement, one person transfers, or creates, to or in favor of, another, a right over or in respect of specified property:

(18) “Paper”. - “paper” includes vellum, parchment or any other material on which an instrument may be written:

(19) “Policy of insurance”. - “Policy of insurance” includes—

- (a) Any instrument by which one person, in consideration

¹Cl. (12A) defining “Collecting Government” ins. by A.O., 1937, and subsequently amended by A.O., 1961, Art. 2 and Sch., has been omitted by A.O., 1964, Art. 2 and Sch.

² Cl. (16A) ins. by the Indian Stamp (Amendment) Act, 1904 (15 of 1904) (4), s. 2.

³ Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for “the Province and the Capital of the Federation” which had been subs. by A. O., 1949, Arts, 3(2) and 4, for “British India”.

⁴. The words “or in the United Kingdom” have been omitted (only to the extent of Islamabad Capital Territory) by the Federal Laws (Revision and Declaration, Ordinance, 1981 (27 of 1981) s. 5 and Sch. IV.

Of a premium, engages to indemnify another against loss, damage or liability arising from an unknown or contingent event;

(b) a life-policy, and any policy insuring any person against accident or sickness, and any other personal insurance: ^{1*}

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(20) “Policy of sea-insurance” or “sea-policy”. “Policy of sea-insurance” or “sea-policy”–

(a) means any insurance made upon any ship or vessel (whether for marine or inland navigation), or upon *the* machinery, tackle or furniture of any ship or vessel, or upon any goods, merchandise or property of any description whatever on board of any ship or vessel, or upon *the* freight of, or any other interest which may be lawfully insured in, or relating to, any ship or vessel; and

(b) includes any insurance of goods, merchandise or property for any transit which includes, not only a sea risk within *the* meaning of clause (a), but also any other risk incidental to *the* transit insured from *the* commencement of *the* transit to *the* ultimate destination covered by *the* insurance:

Where any person, in consideration of any sum of money paid or to be paid for additional freight or otherwise, agrees to take upon himself any risk attending goods, merchandise or property of any description whatever while on of any ship or vessel or engages to indemnify *the* owner of any such goods, merchandise or property from any risk, loss or damage, such agreement or engagement shall be deemed to be a contract for sea - insurance :

(21) “Power-of-attorney”.– “power-of-attorney” includes any instrument (not chargeable with a fee under *the* law relating to court fees for *the* time being in force) empowering a specified person to *act* for and in *the* name of *the* person executing it :

(22) “Promissory note”. - “promissory note” means a promissory note as defined by *the Negotiable Instruments Act, 1881 (XXVI of 1881)*;

It also includes a note promising *the* payment of any sum of money out of any particular fund which may or

¹ *The word “and” and sub-clause (c) rep. by the Indian Stamp (Amdt.) Act, 1906 (5 of 1906), s. 2.*

May not be available, or upon any condition or contingency which may or may not be performed or happen:

(23) “Receipt”. - “Receipt” includes any not memorandum or writing—

(a) Whereby any money, or any bill of exchange, cheque or promissory note is acknowledged to have been received, or

(b) Whereby any other moveable property is acknowledged to have been received in satisfaction of a debt, or

(c) Whereby any debt or demand, or any part of a debt or demand, is acknowledged to have been satisfied or discharged, or

(d) Which signifies or imports any such acknowledgment, and whether *the* same is or is not signed with *the* name of any person: ^{1*}

(24) “Settlement”. - “Settlement” means any non-testamentary disposition, in writing, of moveable or immoveable property made—

(a) in consideration of marriage,

(b) for *the* purpose of distributing property of *the* settler among his family or those for whom he desires to provide, or for *the* purpose of providing for some person dependent on him, or

(c) For any religious or charitable purpose;

and includes an agreement in writing to make such a disposition ²[and, where any such disposition has not been made in writing, any instrument recording, whether by way of declaration of trust or otherwise, *the* terms of any such disposition] : ³[and

(25) “Soldier”. - “soldier” includes any person below *the* rank of non-commissioned officer who is enrolled under *the* Indian Army Act 1911(VIII of 1911) ⁴[or *the* Pakistan Army Act, 1952 (XXXIX of 1952)].]

CHAPTER II

STAMP-DUTIES

A.-Of the Liability of Instruments to Duty

3. Instruments chargeable with duty.- Subject to *the* provisions of this *Act* and *the* exemptions contained in Schedule I, *the*, following instruments shall be

¹ The word “and” rep. by the Repealing and Amending Act, 1928 (18 of 1928).

² Ins. by the Indian Stamp (Amendment) Act, 1904 (15 of 1904), s. 2.

³ The word “and” and cl. (25), ins. by Act, 18 of 1928, s. 2 and Sch. I.

⁴ Added by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955).

Chargeable with duty of *the* amount indicated in that schedule as *the* proper duty therefor respectively, that is to say—

(a) every instrument mentioned in that schedule which, not having been previously executed by any person, is executed in ¹[Pakistan] on or after *the* first day of July, 1899 ;

(b) every bill of exchange ²[payable otherwise than on demand] ^{3*} or promissory note drawn or made out of ¹[Pakistan] on or after that day and accepted or paid, or presented for acceptance or payment, or endorsed, transferred or otherwise negotiated, in ¹[Pakistan] ; and

(c) every instrument (other than a bill of exchange ^{3*} or promissory note) mentioned in that schedule which, not having been previously executed by any person, is executed out of ¹[Pakistan] on or after that day, relates to any property situate, or to any matter or thing done or to be done, in ¹[Pakistan] and is received in ¹[Pakistan] :

Provided that no duty shall be chargeable in respect of—

(1) any instrument executed by, or on behalf of, or in favor of, *the* ⁴[Government] in cases where, but for this exemption, *the* ⁴[Government] would be liable to pay *the* duty chargeable in respect of such instrument;

(2) Any instrument for *the* sale, transfer or other disposition, either absolutely or by way of mortgage or otherwise, of any ship or vessel, or any part, interest, share or property of or in any ship or vessel registered under *the* Merchant Shipping Act, 1894, or under Act XIX of 1838, or *the* Registration of Ships Act, 1841 (57 & 58Vict.c. 60 X of 1841), as amended by subsequent Acts.

4. Several instruments used in single transaction of sale, mortgage or settlement.- (1)

Where, in *the* case of any sale, mortgage or settlement, several instruments are employed for completing *the* transaction, *the* principal instrument only shall be chargeable with *the* duty prescribed in Schedule I, for *the* conveyance, mortgage or settlement, and each of *the* other instruments shall be chargeable with a duty of one rupee instead of *the* duty (if any) prescribed for , it in that schedule.

¹*Subs. by the Central Laws (Statute Reform) Ordinance, 1960, (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A.O., 1949, Arts. 3 (2) and 4, for "British India".*

²*Ins. by the Indian Finance Act, 1927 (5 of 1927), s. 5.*

³*The word "cheque" rep., ibid.*

⁴*Subs. by A.O., 1961, Art. 2 (with effect from the 23rd March, 1956), for "Crown".*

⁵*The Bombay Coasting Vessels Act. 1838.*

(2) *The* parties may determine for themselves which of *the* instruments so employed shall, for *the* purposes of sub-section (1), be deemed to be *the* principal instrument:

Provided that *the* duty chargeable on *the* instrument so determined shall be *the* highest duty which would be chargeable in respect of any of *the* said instruments employed.

5. Instruments relating to several distinct matters.- Any instrument comprising or relating to several distinct matters shall be chargeable with *the* aggregate amount of *the* duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this *Act*.

6. Instruments coming within several descriptions in Schedule I.- Subject to *the* provisions of *the* last preceding section, an instrument so framed as to come within two or more of *the* descriptions in Schedule I, shall, where *the* duties chargeable thereunder are different, be chargeable only with *the* highest of such duties:

Provided that nothing in this *Act* contained shall render chargeable with duty exceeding one rupee a counterpart or duplicate of any instrument chargeable with duty and in respect of which *the* proper duty has been paid.

7. Policies of sea-insurance.- (1) No contract for sea-insurance (other than such insurance as is referred to in section 506 of *the* Merchant Shipping *Act*, 1894 (57 & 58 Vict.c. 60) shall be valid unless *the* same is expressed in a sea- policy.

(2) No sea-policy made for time shall be made for any time exceeding twelve months.

(3) No sea-policy shall be valid unless it specifies *the* particular risk or adventure, or *the* time, for which it is made, *the* names of *the* subscribers or underwriters, and *the* amount or amounts insured.

(4) Where any sea-insurance is made for or upon a voyager and also for time, or to extend to or cover any time beyond thirty days after *the* ship shall have arrived at her destination and been there moored at anchor, *the* policy shall be charged with duty as a policy for or upon a voyage, and also with duty as a policy for time.

8. Bonds, debentures or other securities, issued on loans under Act XI, 1879.- (1)

Notwithstanding anything in this *Act*, any local authority raising a loan under *the* provisions of *the* ¹[Local Authorities Loans Act, 1914 (IX of 1914)] or of any other law for *the* time being in force, by *the* issue of bonds, debentures or other securities,

¹ *Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1581) s. 5 and Sch. IV for "Local Authorities Loan Act, 1879". (Only to the extent of Islamabad Capital Territory).*

shall, in respect of such loan, be chargeable with a duty of ¹[one per centum] on *the* total amount of *the* bonds, debentures or other, securities issued by it, and such bonds debentures or other securities need not be stamped, and shall not be chargeable with any further duty on renewal, consolidation, sub-division or otherwise.

(2) *The* provisions of sub-section (1) exempting certain bonds, debentures or other securities from being stamped and from being chargeable with certain further duty shall apply to *the* bonds, debentures or other securities of all outstanding loans of *the* kind mentioned therein, and all such bonds, debentures or other securities shall be valid, whether *the* same are stamped or not:

²[* * * * *]

(3) In *the* case of willful neglect to pay *the* duty required by this section, *the* local authority shall be liable to forfeit to *the* Government a sum equal to ten per centum upon *the* amount of duty payable, and a like penalty forever month after *the* first month during which *the* neglect continues.

9. ²[*The Provincial Government*] May, by rule or order published in *the* ³[official Gazette], –

(a) **Power to reduce, remit or compound duties.** reduce or remit, whether prospectively or retrospectively, in *the* whole or any part of ⁴[*the* territories under its administration], *the* duties with which any instruments or any particular class of instruments, or any of *the* instruments belonging to such class, or any instruments when executed by or in favor

of any particular class of persons, or by or in favor of any members of such class, rechargeable, and

(b) provide for *the* composition or consolidation of duties in *the* case of issues by any incorporated company or

¹*Subs. by the Indian Stamp (Amendment) Act, 1910 (6 of 1910), s. 2, for "eight annals per centum".*

²*Omitted by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981) s. 5 and Sch. IV (Only to the extent of Islamabad Capital Territory).*

³*The original words "The G. G. in C." were first subs. by A.O., 1937, and then amended by A.O., 1964, Art. 2 and Sch., to read as above.*

⁴*Subs. by A. O., 1937, for "Gazette of India".*

⁵ *Subs. ibid. for "British India".*

Other body corporate of debentures, bonds or other marketable securities.

B.-Of Stamps

10. Duties how to be paid.-(1) Except as otherwise expressly provided in this *Act*, all duties with which any instruments are chargeable shall be paid, and such payment shall be indicated on such instruments, by means of stamps-

(a) According to *the* provisions herein contained; or

(b) When no such provision is applicable thereto-as *the*¹[Provincial Government] may by rule direct.

(2) *The* rules² made under sub-section (1) may, among other matters, regulate, --

(a) In *the* case of each kind of instrument-*the* description of stamps which may be used;

(b) In *the* case of instruments stamped with impressed stamps-*the* number of stamps which may be used;

(c) in *the* case of bills of exchange or promissory notes written in any Oriental language--*the* size of *the* paper on which they are written.

11. Use of adhesive stamps.-*The* following instruments may be stamped with adhesive stamps, namely:-

- (a) instruments chargeable with *the* duty of one Anna ³[or half an Anna], except parts of bills of exchange payable otherwise than on demand and drawn in sets ;
- (b) Bills of exchange, ^{4*} and promissory notes drawn or made out of ⁵[Pakistan];
- ⁶(c) entry as an advocate, veil or attorney on *the* role of a High Court;
- (d) Notarial acts; and

¹*Subs. by A. O., 1964, Art. 2 and Sch., for "Collecting Government" which had been subs. by A. O., 1937, for "G. G. in C."*

²*See the Indian Stamp Rules, 1925.*

³*Ins. by the Indian Stamp (Amendment) Act, 1906 (5 of 1906), s. 3.*

⁴*The word "cheese" rep. by the Indian Finance Act, 1927 (5 of 1927), s. 5.*

⁵*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A. O., 1949, Arts. 3(2) and 4, for "British India".*

⁶*As to the enrolment of legal practitioners in the N.W.F.P., see the N.W.F.P. Law and Justice Regulation, 1901 (7 of 1901), s. 9.*

- (e) Transfers by endorsement of shares in any incorporated company or other body corporate.

12. Cancellation of adhesive stamps.- (1) (a) Whoever affixes any adhesive *stamp* to any instrument chargeable with duty which has been executed by any person shall, when affixing such *stamp*, cancel *the* same so that it cannot be used again; and

(b) whoever executes any instrument on any paper bearing an adhesive *stamp* shall, at *the* time of execution, unless such *stamp* has been already cancelled in manner aforesaid, cancel *the* same so that it cannot be used again.

(2) Any instrument bearing an adhesive *stamp* which has not been cancelled so that it cannot be used again, shall, so far as such *stamp* is concerned, be deemed to be unstamped.

(3) *The* person required by sub-section (1) to cancel an adhesive *stamp* may cancel it by writing on or across *the stamp* his name or initials or *the* name or initials of his firm with *the* true date of his so writing, or in any other effectual manner.

13. Instruments stamped with impressed stamps how to be written.-

Every instrument written upon paper stamped with an impressed *stamp* shall be written in

such manner that *the stamp* may appear on *the* face of *the* instrument and cannot be used for or applied to any other instrument.

14. Only one instrument to be on same stamp.-

No second instrument chargeable with duty shall be written upon a piece of stamped paper upon which an instrument chargeable with duty has already been written:

Provided that nothing in this section shall prevent any endorsement which is duly stamped or is not chargeable with duty being made upon any instrument for *the* purpose of transferring any right created or evidenced thereby, or of acknowledging *the* receipt of any money or goods *the* payment or delivery of which is secured thereby. .

15. Instrument written contrary to section 13 or 14 deemed un-stamped.-

Every instrument written in contravention of section 13 or section 14 shall be deemed to be un-stamped.

16. Denoting duty.- Where *the* duty with which an instrument is chargeable, or its exemption from duty, depends in any manner upon *the* duty actually paid in respect of another instrument, *the* payment of such last-mentioned duty shall, if application is made in writing to *the* Collector for that purpose, and on production of both *the* instruments, be denoted upon such first-mentioned instrument, by endorsement under *the* hand of *the* Collector or in such other manner.

(If any) as *the* ¹[Provincial Government] may by rule prescribe.

C.-Of *the******

17. Instruments executed in Pakistan.- All instruments chargeable with duty and executed by any person in ²[Pakistan] shall be stamped before or at *the* time of execution.

18. Instruments other than bills and notes executed out of Pakistan.- (1)

Every instrument chargeable with duty executed only out of ²[Pakistan], and not being a bill of exchange, ^{3*} or promissory note, may be stamped within three months after it has been first received in ²[Pakistan].

(2) Where any such instrument cannot, with reference to *the* description of *stamp* prescribed therefore, be duly stamped by a private person, it may be taken within *the* said period of three months to *the* Collector, who shall stamp *the* same, in such manner as *the* ¹[provincial Government] may by rule prescribe, with a *stamp* of such value as *the* person so taking such instrument may require and pay for.

19. Bills and notes drawn out of Pakistan.- *The* first-holder in ²[Pakistan] of any bill of exchange, ⁴[payable otherwise than on demand] ^{3*} or promissory note drawn or made out of ²[Pakistan] shall, before he presents *the* same for acceptance or payment, or endorses, transfers or otherwise negotiates *the* same in ²[Pakistan], affix *thereto* *the* proper *stamp* and cancel *the* same:

Provided that, –

(a) it, at *the* time any such bill of exchange, ^{3*} or not comes into *the* hands of any holder thereof in ²[Pakistan], *the* proper adhesive *stamp* is affixed thereto and cancelled in manner prescribed by section 12 and such holder has no reason to believe that such *stamp* was affixed or-cancelled otherwise than by *the* person and at *the* time required by this *Act*, such *stamp* shall far as relates to such holder, be deemed to have been duly affixed and cancelled.

(b) nothing contained in this proviso shall relieve any person from any penalty incurred by him for omitting to affix or cancel a *stamp*.

¹*Subs. by A.O., 1964, Art. 2 and Sch... For “Collecting Government” which had been subs. by A.O... 1937, for “G. G. in C.”.*

²*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for “the Provinces and the Capital of the Federation” which had been subs. by A.O., 1949, Arts. 3(2) and 4, for “British India”.*

³ *The word “cheque” rep. by the Indian Finance Act. 1927 (5 of 1927), s. 5.*

⁴ *Ins., ibid.*

D.-Of Valuations

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 ¹[Pakistan], such duty shall be calculated on *the* value of such money in *the* currency of ¹[Pakistan] according to *the* current rate of exchange on *the* day of *the* date of *the* instrument.

2* * * * *

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.

⁵[**23A. 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

¹*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from 14 October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A. O. 1949, Arts. 3 (2) and 4, for "British Lydia".*

² *Sub. Section 2 Omitted by the Federal Laws (Revision and, Declaration) Ordinance, 1981 (27 of 1981) s. 5 and Sch. IV (Only to the extent of Islamabad Capital Territory).*

³*Ins. by the Indian Stamp (Amendment) Act, 1904 (15 of 1904), s. 3.*

(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 ¹[Article No.5 (c)] of Schedule I.

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

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 incumbrancer 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 incumbrancer, 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 an 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

¹*Subs. by the Indian Stamp (Amdt.) Act, 1912 (I of 1912), s. 3, for “Article No.5 (b)”.*

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* renter 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 :]

¹*Subs. by the Indian Stamp (Amdt.) Act, 1904 (15 of 1904), s. 4, for the original proviso.*

²*The original words "the Secretary of State in Council" were first subs. by A.O., 1937 and then amended by A.O., 1961, Art. 2 (with effect from the 23rd March, 1956), to read as above.*

³*The original words "the said Secretary of State in Council" were first subs. by A.O., 1937 and then amended by A.O., 1961, Art. 2 (with effect from 23rd March, 1956), to read as above.*

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.

28. Direction as to duty in case 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* considerations 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.

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),

¹[No. 6. (Agreement relating to Deposit of Title-deeds, Pawn or Pledge),]

- No. 13. (Bill of Exchange),
- No. 15. (Bond),
- No. 16. (Bottom Bond),
- 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. (Respondent Bond),
- No. 57. (Security Bond or Mortgage-Deed),
- No. 58. (Settlement),
- No. 62. (a). (Transfer of shares in an incorporated company or other body corporate),

¹*Subs. by the Indian Stamp (Amdt.) Act, 1904 (15 of 1904), s. 5, for “No.6. (Agreement to mortgage)”.*

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).

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 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: 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 moveable 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.

²[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:]

¹*Subs. by the Indian Stamp (Amdt.) Act, 1906 (5 of 1906), s. 4, for the original cl. (b).*

²*Ins. ibid*

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 eight annas) as *the* Collector may in each case direct, *the* Collector shall determine *the* duty (if any) with which, in his judgement, *the* instrument is chargeable.

(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,¹

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

¹*For refund of this duty in the case of certain instruments, see the Stamp (Specified Instruments) Act, 1924 (13 of 1924), s. 3(4).*

(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 authorize *the* Collector to endorse- .

(a) any instrument executed or first executed in ¹[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 ;

(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 ¹[Pakistan] ; or

(c) any instrument chargeable with *the* duty of one Anna ²[or half an Anna] or any bill of exchange or promissory note, when brought to him, after *the* drawing or execution thereof, on paper not duly stamped.

CHAPTER IV

INSTRUMENTS NOT DULY STAMPED

33. Examination and impounding of instruments.- (1) Every person having by law or consent of parties authority to receive evidence, and every person in charge of a public office, except an officer of police, before whom any instrument, chargeable in his opinion, with duty, is produced or comes in *the* performance of his functions, shall, if it appears to him that such instrument is not duly stamped, impound *the* same.

(2) For that purpose every such person shall examine every instrument so chargeable and so produced or coming before him in order to ascertain whether it is stamped with a *stamp* of *the* value and description required by *the* law in force in ¹[Pakistan]

¹*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A.O., 1949, Arts. 3(2) and 4, for "British India".*

²*Ins. by the Indian Stamp (Amendment) Act, 1906 (5 of 1906), s. 3.*

When such instrument was executed or first executed:

Provided that—

(a) nothing herein contained shall be deemed to require any Magistrate or Judge of a Criminal Court to examine or impound, if he does not think fit so to do, any instrument coming before him in *the* course of any proceeding other than a proceeding under Chapter XII or Chapter XXXVI of *the* Code of Criminal Procedure, 1898 (V of 1898) ;

(b) in *the* case of a Judge of a High Court, *the* duty of examining and impounding any instrument under this section may be delegated to such officer as *the* Court appoints in this behalf.

(3) For *the* purposes of this section, in cases of doubt, –

(a) ¹[*the* Provincial Government] may determine² what offices shall be deemed to be public offices; and

(b) ³[*the* Provincial Government] may determine who shall be deemed to be persons in charge of public offices.

34. Special provision as to unstamped receipts.- Where any receipt chargeable with a duty of one Anna is tendered to or produced before any officer unstamped in *the* course of *the* audit of any public account, such officer may in his discretion, instead of impounding *the* instrument, require a duly stamped receipt to be substituted therefor.

35. Instruments not duly stamped in admissible is evidence, etc.-

No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon registered or authenticated by any such person or by any public officer, unless such instrument is duly stamped:

Provided that–

⁴(a) any such instrument not being an instrument chargeable with a duty of one Anna ⁵[or half an Anna] only,

¹ *The original words “the G. G. in C”. Were first subs. by A.O., 1937 and then amended by A.O., 1964, Art. 2 and Sch., to read as above.*

² *For the purposes of this section, the office of a returning officer appointed for the purposes of an. election to legislative body constituted under the Government of India Act is not a public office, see Gazette of India, 1920, Pt. I, p. 2136.*

³ *The original words “the L. G.” were first subs. by A.O., 1937 and then amended by A.O., 1964, Art. 2 and Sch., to read as above.*

⁴ *for modifications of this provision in respect of instruments to which the Stamp Specified Instruments) Act, 1924 (13 of 1924), applies, see s, 3 of that Act.*

⁵ *Ins. by the Indian Stamp (Amdt.) Act. 1906 (5 of 1906), s; 3.*

or a bill of exchange or promissory note, shall, subject to all just exceptions, be admitted in evidence on payment of *the* duty with which *the* same is chargeable, or, in *the* case of an instrument insufficiently stamped, of *the* amount required to make up such duty, together with a penalty of five rupees, or, when ten times *the* amount of *the* proper duty or deficient portion thereof exceeds five rupees, of a sum equal to ten times such duty or portion;

(b) where any person from whom a stamped receipt could have been demanded, has given an unstamped receipt and such receipt, if stamped, would be admissible in evidence against him, then such receipt shall be admitted in evidence against him on payment of a penalty of one rupee by *the* person tendering it ;

(c) where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any one of *the* letters bears *the* proper *stamp*, *the* contract or agreement shall be deemed to be duly stamped;

(d) nothing herein contained shall prevent *the* admission of any instrument in evidence in any proceeding in a Criminal Court, other than a proceeding under Chapter XII or Chapter XXXVI of *the* Code of Criminal Procedure, 1898 (V of 1898);

(e) nothing herein contained shall prevent *the* admission of any instrument in any Court when such instrument has been executed by or on behalf of ¹[*the* Government], or where it bears *the* certificate of *the* Collector as provided by section 32 or any other provision of this *Act*.

36. Admission of instrument where not to be questioned.- Where an instrument has been admitted in evidence, such admission shall not, except as provided in section 61, be called in question at any stage of *the* same suit or proceeding on *the* ground that *the* instrument has not been duly stamped.

37. Admission of Improperly stamped instruments.- ²[*The* Provincial Government] may make rules providing that, where an instrument bears a *stamp* of sufficient amount but of improper description, it may, on payment of *the* duty

¹*The original words "the Govt." were first subs. by A.O., 1937 and then amended by A.O., 1961, Art. 2 (with effect from the 23rd March, 1956), to read as above.*

²*The original words "the G. G. in C." were first subs. by A.O., 1937, and then amended by A.O., 1964, Art. 2 and Sch., to read as above.*

with which *the* same is chargeable, be certified to be duly stamped, and any instrument so certified shall then be deemed to have been duly stamped as from *the* date of its execution.

38. Instruments impounded how dealt with.- (1) When *the* person impounding an instrument under section 33 has

by law or consent of parties authority to receive evidence and admits such instrument in evidence upon payment of a penalty as provided by section 35 or of duty as provided by section 37, he shall send to *the* Collector an authenticated copy of such instrument, together with a certificate in writing, stating *the* amount of duty and penalty levied in respect thereof, and shall send such amount to *the* Collector, or to such person as he may appoint in this behalf.

(2) In every other case, *the* person so impounding an instrument shall send it in original to *the* Collector.

39. Collector's power to refund penalty paid under section 38, sub-section (1). - (1) When a copy of an instrument is sent to *the* Collector under section 38, sub-section (1), he may, if he thinks fit, * * * refund any portion of *the* penalty in excess of five rupees which has been paid in respect of such instrument.

(2) When such instrument has been impounded only because it has been written in contravention of section 13 or section 14, *the* Collector may refund *the* whole penalty so paid.

40. Collector's power to stamp instruments impounded.- (1) When *the* Collector impounds any instrument under section 33, or receives any instrument sent to him under section 38, sub-section (2), not being an instrument chargeable with a duty of one Anna ³[or half an Anna] only or a bill of exchange or promissory note, he shall adopt the following procedure :- .

(a) if he is of opinion that such instrument is duly *stamped*, or is not chargeable with duty, he shall certify by endorsement thereon that it is duly stamped, or that it is not so chargeable, as *the* case may be :

(b) if he is of opinion that such instrument is chargeable with duty and is not duly stamped, he shall require *the* payment of *the* proper duty or *the* amount required to make up *the* same, together with a penalty of five rupees; or, if he thinks fit, ⁴[an amount not

¹ The words "upon application made to him in this behalf or, if no application is made, with the consent of the Chief Controlling Revenue authority" rep. by the Decentralization Act, 1914 (4 of 1914), s., 2 and Sch., Pt. I.

²For modifications of these provisions in respect of instruments to which the Stamp (Specified Instruments) Act, 1924 (13 of 1924), applies, see s. 3 of that Act.

³Ins. by the Indian Stamp (Amendment) Act, 1906 (5 of 1906), s. 3.

⁴Ins. by the Indian Stamp (Amendment) Act, 1904 (15 of 1904), s. 6.

Exceeding] ten times *the* amount of *the* proper duty or of *the* deficient portion thereof, whether such amount exceeds or falls short of five rupees:

Provided that, when such instrument has been impounded only because it has been written in contravention of section 13 or section 14, *the* Collector may, if he thinks fit, remit *the* whole penalty prescribed by this section.

(2) Every certificate under clause (a) of sub-section (1) shall, for *the* purposes of this *Act*, be evidence of *the* matters stated therein.

(3) Where an instrument has been sent to *the* Collector under section 38, sub-section (2), *the* Collector shall, when he has dealt with it as provided by this section, return it to *the* impounding officer.

¹[41. Instruments unduly stamped by accident.- If any instrument chargeable with duty and not duly stamped, not being an instrument chargeable with a duty of one Anna ²[or half an Anna] only or a bill of exchange or promissory note, is produced by any person of his own motion before *the* Collector within one year from *the* date of its execution or first execution, and such person brings to *the* notice of *the* Collector *the* fact that such instrument is not duly stamped and offers to pay to *the* Collector *the* amount of *the* proper duty, or *the* amount required to make up *the* same, and *the* Collector is satisfied that *the* omission to duly *stamp* such instrument has been occasioned by accident, mistake or urgent necessity, he may, instead of proceeding under sections 33 and 40, receive such amount and proceed as next hereinafter prescribed.

42. Endorsement of instruments on which duty has been paid under section 35, 40 or 41.-

(1) When *the* duty and penalty (if any) leviable in respect of any instrument have been paid under section 35, section 40 or section 41, *the* person admitting such instrument in evidence or *the* Collector, as *the* case may be, shall certify by endorsement thereon that *the* proper duty or, as *the* case may be, *the* proper duty and penalty (stating *the* amount of each) have been levied in respect thereof, and *the* name and residence of *the* person paying them.

(2) Every instrument so endorsed shall thereupon be admissible in evidence, and may be registered and acted upon and authenticated as if it had been duly stamped, and shall be delivered on his application in this behalf to *the* person from whose possession it came into *the* hands of *the* officer impounding it, or

¹For modifications of these provisions in respect of instruments to which the Stamp (Specified Instruments) Act, 1924 (13 of 1924), applies, see s. 3 of that Act.

² Ins. By the Indian Stamp (Amdt.) Act, 1906 (5 of 1906), s. 3.

As such person may direct:

Provided that—

(a) no instrument which has been admitted in evidence upon payment of duty and a penalty under section 35, shall be so delivered before *the* expiration of one month from *the* date of such impounding, or if *the* Collector has certified that its further detention is necessary and has not cancelled such certificate;

(b) nothing in this section shall affect *the*¹[provisions of rule 9 of Order XIII of *the* First Schedule to *the* Code of Civil Procedure, 1908 (*Act V* of 1908)].

43. Prosecution for offence against Stamp-law.- *The* taking of proceedings or *the* payment of a penalty under this Chapter in respect of any instrument shall not bar *the* prosecution of any person who appears to have committed an offence against *the* Stamp-law in respect of such instrument:

Provided that no such prosecution shall be instituted in *the* case of any instrument in respect of which such penalty has been paid, unless it appears to *the* Collector that *the* offence was committed with an intention of evading payment of *the* proper duty.

44. Persons paying duty or penalty may recover same in certain cases.- (1) When any duty or penalty has been paid under section 35, section 37, section 40 or section 41, by any person in respect of an instrument, and, by agreement or under *the* provisions of section 29 or any other enactment in force at *the* time such instrument was executed, some other person was bound to bear *the* expense of providing *the* proper stamp for such instrument, *the* first-mentioned person shall be entitled to recover from such other person *the* amount of *the* duty or penalty so paid.

(2) For *the* purpose of such recovery any certificate granted in respect of such instrument under this *Act* shall be conclusive of *the* matters therein certified.

(3) Such amount may, if *the* Court thinks fit, be included in any order as to costs in any suit or proceeding to which such persons are parties and in which such instrument has been tendered in evidence. If *the* Court does not include *the* amount in such order, no further proceedings for *the* recovery of *the* amount shall be maintainable.

45. Power to Revenue authority to refund penalty or excess duty in certain cases.- (1) Where any penalty is paid under section 35 or section 40, *the*²[Chief Revenue Authority] may, upon application

¹ Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981; s. 5 and Sch. Sch. IV (Only to the extent of Islamabad Capital Territory); for “Code of Civil Procedure, section 144, clause 3”.

²Subs, by A.O., 1961, Art. 2 and Sch., for “Chief Controlling Revenue authority” (with effect from the 23rd March, 1956).

For definition, see the General Clauses Act, 1897 (10 of 1897), s. 3 (9a).

In the N.W.F.P., the reference to the Chief Controlling Revenue-authority should be construed as a reference to the Revenue Commissioner.- See the N.W.F.P. Law and Justice Regulation, 1901 (7 of 1901), s. 6 (1) (d).

In writing made within one year from *the* date of *the* payment, refund such penalty wholly or in part.

(2) Where, in *the* opinion of *the* ¹[Chief Revenue Authority], *stamp*-duty in excess of that which is legally chargeable has been charged and paid under section 35 or section 40, such authority may, upon application in writing made within three months of *the* order charging *the* same, refund *the* excess.

46. Non-liability for loss of instruments sent under section 38.- (1) If any instrument sent to *the* Collector under section 38, sub-section (2), is lost, destroyed or damaged during transmission, *the* person sending *the* same shall not be liable for such loss, destruction or damage.

(2) When any instrument is about to be so sent, *the* person from whose possession it came into *the* hands of *the* person impounding *the* same, may require a copy thereof to be made at *the* expense of such first-mentioned person and authenticated by *the* person impounding such instrument.

47. Power of payer to stamp bills and promissory notes received by him unstamped.- When any bill of exchange ²[or promissory note] chargeable with *the* duty of one Anna is presented for payment unstamped, *the* person to whom it is so presented may affix thereto *the* necessary adhesive *stamp*, and, upon cancelling *the* same in manner hereinbefore provided, may pay *the* sum payable upon such bill ³[or note], and may charge *the* duty against *the* person who ought to have paid *the* same, or deduct it from *the* sum payable as aforesaid, and such bill³[or note] shall, so far as respects *the* duty, be deemed good and valid:

Provided that nothing herein contained shall relieve any person from any penalty or proceeding to which he may be liable in relation to such bill ³[or note].

48. Recovery of duties and penalties.- All duties, penalties and other sums required to be paid under this Chapter may be recovered by *the* Collector by distress and sale of *the* moveable property of *the* person from whom *the* same are due, or by any other process for *the* time being in force for *the* recovery of arrears of land-revenue.

¹Subs. by A.O., 1961, Art. 2 and Sch., for “Chief Controlling Revenue authority” (with effect from the 23rd March, 1956).

For definition, see the General Clauses Act; 1897 (10 of 1897), s. 3 (9a).

In the N.W.F.P., the reference to the Chief Controlling Revenue-authority should be construed as a reference to the Revenue Commissioner.-See the N.W.F.P. Law and Justice Regulation, 1901 (7 of 1901), s. 6 (1) (d).

² Subs. by the Indian Finance Act, 1927 (5 of 1927), s. 5, for “promissory note or cheque”.

³Subs. *ibid.* for “note or cheque”.

CHAPTER V

ALLOWANCES FOR STAMPS IN CERTAIN CASES

49. Allowances for spoiled stamps.- Subject to such rules as may be made by ¹[the Provincial Government] as to the evidence to be required, or the enquiry to be made, the Collector may, on application made within the period prescribed in section 50, and if he is satisfied as to the facts, make allowance for impressed stamps spoiled in the cases hereinafter mentioned, namely :-

(a) the stamp on any paper inadvertently and undesignedly spoiled, obliterated or by error in writing or any other means rendered unfit for the purpose intended before any instrument written thereon is executed by any person:

(b) The stamp on any document which is written out wholly or in part, but which is not signed or executed by any party thereto:

(c) in the case of bills of exchange ²[payable otherwise than on demand] ^{3*} or promissory notes

(1) the stamp on ⁴[any such bill of exchange] ^{5*} * signed by or on behalf of the drawer which has not been accepted or made use of in any manner whatever or delivered out of his hands for any purpose other than by way of tender for acceptance: provided that the paper on which any such stamp is impressed does not bear any signature intended as or for the acceptance of any bill of exchange ^{5*} * to be afterwards written thereon:

(2) The stamp on any promissory note signed by or on behalf of the maker which has not been made use of in any manner whatever or delivered out of his hands:

(3) the stamp used or intended to be used for ⁴[any such bill of exchange] ^{6*} or promissory note signed by, or on behalf of, the drawer thereof,

¹The original words “G. G. in C” have successively been amended by the Decentralization Act, 1914 (4 of 1914), s. 2 and Sch., Pt. I, A.O., 1937 and A.O., 1964, Art. 2 and Sch., to read as above.

²Ins. by the Indian Finance Act, 1927 (5 of 1927), s. 5.

³The word “cheese” rep., *ibid.*

⁴Subs. *ibid.* for “any bill of exchange”.

⁵The words “or cheque” rep., *ibid.*

⁶The word “cheque” rep., *ibid.*

but which from any omission or error has been spoiled or rendered useless, although *the* same, being a bill of exchange ¹* *, may have been presented for acceptance or accepted or endorsed, or, being a promissory note, may have been delivered to *the* payee: provided that another completed and duly stamped bill of exchange ²* or promissory note is produced identical in every particular, except in *the* correction of such omission or error as aforesaid, with *the* spoiled bill ²* or note:

(d) *The stamp* used for an instrument executed by any party thereto which—

(1) Has been afterwards found to be absolutely void in law from *the* beginning:

(2) Has been afterwards found unfit, by reason of any error or mistake therein, for *the* purpose originally intended:

(3) by reason of *the* death of any person by whom it is necessary that it should be executed, without having executed *the* same, or of *the* refusal of any such person to execute *the* same, cannot be completed so as to effect the intended transaction in *the* form proposed:

(4) for want of *the* execution thereof by some material party, and his inability or refusal to sign *the* same, is in fact incomplete and insufficient for *the* purpose for which it was intended:

(5) by reason of *the* refusal of any person to *act* under *the* same, or to advance any money intended to be thereby secured, or by *the* refusal or non-acceptance of any office thereby granted, totally fails of *the* intended purpose:

(6) becomes useless in consequence of *the* transaction intended to be thereby effected being effected by some other instrument between *the* same parties and bearing a *stamp* of not less value:

(7) is deficient in value and *the* transaction intended to be thereby effected has been effected by some other instrument between *the* same parties and bearing a *stamp* of not less value:

(8) Is inadvertently and undesignedly spoiled, and in lieu whereof another instrument made between

¹*The words “or cheque” rep. by the Indian Finance Act, 1927 (5 of 1927), s. 5.*

²*The word “cheque” rep., ibid.*

the same parties and for *the* same purpose is executed and duly stamped:

Provided that, in *the* case of an executed instrument, no legal proceeding has been commenced in which *the* instrument could or would have been given or offered in evidence and that *the* instrument is given up to be cancelled.

Certificate of *the* Collector under section 32 that *the* full duty with which an instrument is chargeable has been paid is an impressed *stamp* within *the* meaning of this section.

50. Application for relief under section 49 when to be made.-

The application for relief under section 49 shall be made within *the* following periods, that is to say,—

(1) In *the* cases mentioned in clause (d) (5), within two months of *the* date of *the* instrument:

(2) In *the* case of a stamped paper on which no instrument has been executed by any of *the* parties thereto, within six months after *the stamp* has been spoiled:

(3) in *the* case of a stamped paper in which an instrument has been executed by any of *the* parties thereto, within six months after *the* date of *the* instrument, or, if it is not dated, within six months after *the* execution thereof by *the* person by whom it was first or alone executed:

Provided that, —

(a) when *the* spoiled instrument has been for sufficient reasons sent out of ¹[Pakistan], *the* application may be made within six months after it has been received back in ¹[Pakistan-] :

(b) when, from unavoidable circumstances, any instrument for which another instrument has been substituted cannot be given up to be cancelled within *the* aforesaid period, *the* application may be made within six months after *the* date of execution of *the* substituted instrument.

51. Allowance in case of printed forms no longer required by Corporations.- *The* ²[Chief Revenue Authority] ³[or *the* Collector if empowered by *the* ²[Chief Revenue Authority] in this behalf may, without limit of time, make allowance for stamped papers used for printed forms of instruments ⁴[by any banker or] by any

¹*Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A.O., 1949, Arts. 3(2) and 4, for "British India".*

²*See foot-note 1 on page 76, supra.*

³*Ins. by the Decentralization Act, 1914 (4 of 1914), s. 2 and Sch., Part I.*

⁴*Ins. by the Indian Stamp (Amendment) Act, 1906 (5 of 1906), s. 6.*

incorporated company or other body corporate, if for any sufficient reason such forms have ceased to be required by *the* said ¹[banker,] company or body corporate: provided that such authority is satisfied that *the* duty in respect of such stamped papers has been duly paid.

52. Allowance for misused stamps.- (a) When any person has inadvertently used, for an instrument chargeable with duty, a *stamp* of a description other than that prescribed for such instrument by *the* rules made under this Act, or a *stamp* of greater value than was necessary, or has inadvertently used any *stamp* for an instrument not chargeable with any duty; or

(b) when any *stamp* used for an instrument has been inadvertently rendered useless under section 15, owing to such instrument having been written in contravention of *the* provisions of section 13 ;

the Collector may, on application made within six months after *the* date of *the* instrument, or, if it is not dated, within six months after *the* execution thereof by *the* person by whom it was first or alone executed, and upon *the* instrument, if chargeable with duty, being re-stamped with *the* proper duty, cancel and allow as spoiled *the* stamps misused or rendered useless.

53. Allowance for spoiled or misused stamps how to be made. - In any case in which allowance is made for spoiled or misused stamps, *the* Collector may give in lieu thereof—

(a) Other stamps of *the* same description and value; or

(b) If required and he thinks fit, stamps of any other description to *the* same amount in value; or,

(c) At his discretion, *the* same value in money, deducting one Anna for each rupee or fraction of a rupee.

54. Allowance for stamps not required for use.- When any person is possessed of a *stamp* or stamps which have not been spoiled or rendered unfit or useless for *the* purpose intended, but for which he has no immediate use, *the* Collector shall repay to such person *the* value of such *stamp* or stamps in money, deducting one Anna for each rupee or portion of a rupee, upon such person delivering up *the* same to be cancelled, and proving to *the* Collector's satisfaction—

- (a) That such *stamp* or stamps were purchased by such person with a bona fide intention to use them; and
- (b) That he has paid *the* full price thereof; and
- (c) that they were so purchased within *the* period of six months next preceding *the* date on which they were so delivered: .

Provided that, where *the* person is a licensed vendor of stamps, *the* Collector may, if he thinks fit, make *the* repayment

¹ *Ins. by the Indian Stamp (Amdt.) Act, 1906 (5 of 1906), s. 6.*

Of *the* sum actually paid by *the* vendor without any such deduction as aforesaid.

55. Allowance on renewal of certain debentures.- When any duly stamped debenture is renewed by *the* issue of a new debenture in *the* same terms, *the* Collector shall, upon application made within one month, repay to *the* person issuing such debenture, *the* value of *the stamp* on *the* original or new debenture, whichever shall be less:

Provided that *the* original debenture is produced before *the* collector and cancelled by him in such manner as *the*¹[Provincial Government] may direct.

Explanation.-A debenture shall be deemed to be renewed in *the* same terms within *the* meaning of this section notwithstanding following changes: —

- (a) *The* issue of two or more debentures in place of one original debenture, *the* total amount secured being *the* same;
- (b) *The* issue of one debenture in place of two or more original debentures, *the* total amount secured being *thesame*;
- (c) *the* substitution of *the* name of *the* holder at *the* time of renewal for *the* name of *the* original holder; and
- (d) *The* alteration of *the* rate of interest or *the* dates of payment thereof.

CHAPTER VI

REFERENCE AND REVISION

56. Control of and statement of case to, Chief Revenue Authority.- (1) *The* powers exercisable by a Collector under Chapter IV and Chapter V ²[and under clause (a) of *the* first proviso to section 26] shall in all cases be subject to *the* control of *the* ³[Chief Revenue Authority].

(2) If any Collector, acting under section 31, section 40 or section 41, feels doubt as to *the* amount of duty with which any instrument is chargeable, he may draw up a statement of *the* case,

¹ *Subs. by A.O., 1937, for "G.G. in C."*

² *Ins. by the Indian Stamp (Amdt.) Act, 1904 (15 of 1904), s. 7.*

³ *See foot note 1 on page 76, supra.*

For definition, see the General Clauses Act, 1897 (10 of 1897), s. 3 (9a).

In the N.W.F.P., the reference to the Chief Controlling Revenue-authority should as a reference to the Revenue Commissioner.-See the N.W.F.P. Law and Justice Regulation, 1901 (7 of 1901), s. 6 (1) (d).

and refer it, with his own opinion thereon, for *the* decision of *the* ¹[Chief Revenue Authority].

(3) Such authority shall consider *the* case and send a copy of its decision to *the* Collector, who shall proceed to assess and charge *the* duty (if any) in conformity with such decision.

²**[(1) Statement of case by Chief Revenue Authority to High Court.-** *The* Chief Revenue Authority may state many case referred to it under section 56, sub-section (2), or otherwise coming to its notice and refer such case, with its own opinion thereon, to *the* High Court].

(2) Every such case shall be decided by not less than three Judges of *the* High Court ^{3* * *} to which it is referred, and in case of difference *the* opinion of *the* majority shall prevail.

58. Power of High Court to call for further particulars as to case stated. - If *the* High Court ^{3* * *} is not satisfied that *the* statements contained in *the* case are sufficient to enable it to determine *the* questions raised thereby, *the* Court may refer *the* case back to *the* Revenue-authority by which it was stated, to make such additions thereto or alterations therein as *the* Court may direct in that behalf.

59. Procedure in disposing of case stated.- (1) *The* High Court ^{3* * *}, upon *the* hearing of any such case, shall decide *the* questions raised thereby, and shall deliver its judgment thereon containing *the* grounds on which such decision is founded.

(2) *The* Court shall send to *the* Revenue-authority by which *the* case was stated a copy of such judgment under *the* seal of *the* Court and *the* signature of *the* Registrar; and *the* Revenue-authority shall, on receiving such copy, dispose of *the* case conformably to such judgment.

60. Statement of case by other Courts to High Court. - (1) if any Court, other than a Court mentioned in section 57, feels doubt as to *the* amount of duty to be paid in

¹See foot-note 1. On page 76, *supra*.

²Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981; s. 5 and Sch. IV (Only to the extent of Islamabad Capital Territory for sub-section (1)).

³ The word “or Chief Court”, as amended by A.O., 1937. A.O., 1949 and Act 26 of 1951, have been omitted by Ord. 21 of 1960, s. 3 and 2nd Sch., (with effect from the 14th October, 1955).

respect of any instrument under proviso (a) to section 35, *the* Judge may draw up a statement of *the* case and refer it, with his own opinion thereon, for *the* decision of *the* High Court * * * to which, if he were *the* ²[Chief Revenue Authority], he would, under section 57, refer *the* same.

(2) Such Court shall deal with *the* case as if it had been referred under section 57, and send a copy of its judgment under *the* seal of *the* Court and *the* signature of *the* Registrar to *the* ²[Chief Revenue Authority] and another like copy to *the* Judge making *the* reference, who shall, on receiving such copy, dispose of *the* case conformably to such judgment.

(3) References made under sub-section (1), when made by a Court subordinate to a District Court, shall be made through *the* District Court, and, when made by any subordinate Revenue Court, shall be made through *the* Court immediately superior.

61. Revision of certain decisions of Court regarding *the* sufficiency of stamps. (1) When any Court in *the* exercise of its civil or revenue jurisdiction or any Criminal Court in any proceeding under Chapter XII or Chapter XXXVI of *the* Code of Criminal Procedure, 1898 (V of 1898), makes any order admitting any instrument in evidence as duly stamped or as not requiring a *stamp*, or upon payment of duty and a penalty under section 35, *the* Court to which appeals lie from, or references are made by, such first mentioned Court may, of its own motion or on *the* application of *the* Collector, take such order into consideration.

(2) If such Court, after such consideration, is of opinion that such instrument should not have been admitted in evidence without *the* payment of duty and penalty under section 35, or without *the* payment of a higher duty and penalty than those paid, it may record a declaration to that effect, and determine *the* amount of duty with which such instrument is chargeable, and may require any person in whose possession or power such instrument then is, to produce *the* same, and may impound *the* same when produced.

(3) When any declaration has been recorded under subsection (2), *the* Court recording *the* same shall send a copy thereof to *the* Collector, and, where *the* instrument to which it relates has

¹The words “or Chief Court”, as amended by A.O., 1931, A.O., 1949 and the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), have been omitted by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960) s. 3 and 2nd Sch. (with effect from the 14th October, 1955).

² See foot-note 1, on page 16, *supra*.

For definition, see the General Clauses Act, 1897 (10 of 1897), s. 3 (9a).
In the N.W.F.P., the reference to the Chief Controlling Revenue—authority should be construed as a reference to the Revenue Commissioner. —See the N.W.F.P. Law and Justice Regulation, 1901 (7 of 1901), s. 6(1) (d).

Been impounded or is otherwise in *the* possession of such Court, shall also send him such instrument.

(4) *The* Collector may thereupon, notwithstanding anything contained in *the* order admitting such instrument in evidence, or in any certificate granted under section 42, or in section 43, prosecute any person for any offence against *the* Stamp-law, which *the* Collector considers him to have committed in respect of such instrument:

Provided that—

(a) no such prosecution shall be instituted where *the* amount (including duty and penalty) which, according to *the* determination of such Court, was payable in respect of *the* instrument under section 35, is paid to *the* Collector, unless he thinks that *the* offence was committed with an intention of evading payment of *the* proper duty;

(b) except for *the* purposes of such prosecution, no declaration made under this section shall affect *the* validity of any order admitting any instrument in evidence, or of any certificate granted under section 42.

CHAPTER VII

CRIMINAL OFFENCES AND PROCEDURE

¹62. **Penalty for executing, etc., instrument not duly stamped.** - (1) any person—

(a) drawing, making, issuing, endorsing or transferring, or signing otherwise than as a witness, or presenting for acceptance or payment, or accepting, paying or receiving payment of, or in

any manner negotiating, any bill of exchange ²[payable otherwise than on demand] ^{3*} or promissory note without *the* same being duly stamped; or

(b) executing or signing otherwise than as a witness any other instrument chargeable with duty without *the* same being duly stamped; or

(c) Voting or attempting to vote under any proxy not duly stamped;

¹*For modification of provisions in respect of instruments to which the Stamp (Specified Instruments) Act, 1924 (13 of 1924), applies, see s. 3 of that Act.*

²*Ins. by the Indian Finance Act, 1927 (5 of 1927), s. 5.*

³*The word "cheque" rep. ibid.*

Shall for every such offence be punishable with fine which may extend to five hundred rupees:

Provided that, when any penalty has been paid in respect of any instrument under section 35, section 40 or section 61, *the* amount of such penalty shall be allowed in reduction of *the* fine (if any) subsequently imposed under this section in respect of *the* same instrument upon *the* person who paid such penalty.

(2) If a share-warrant is issued without being duly stamped, *the* company issuing *the* same, and also every person who, at *the* time when it is issued, is *the* managing director or secretary or other principal officer of *the* company, shall be punishable with fine which may extend to five hundred rupees.

63. Penalty for failure to cancel adhesive stamp.- Any person required by section 12 to cancel an adhesive *stamp*, and failing to cancel such *stamp* in manner prescribed by that section, shall be punishable with fine which may extend to one hundred rupees.

64. Penalty for omission to comply with provisions of section 27.- Any person who, with intent to defraud *the* Government,—

(a) executes any instrument in which all *the* facts and circumstances required by section 27 to be set forth in such instrument are not fully and truly set forth; or,

(b) being employed or concerned in or about *the* preparation of any instrument, neglects or omits fully and truly to set forth therein all such facts and circumstances ; or

(C) does any other *act* calculated to deprive *the* Government of any duty or penalty under this *Act*;

Shall be punishable with fine which may extend to five thousand rupees.

65. Penalty for refusal to give receipt, and for devices to evade duty on receipts.-

Any person who,—

(a) Being required under section 30 to give a receipt, refuses or neglects to give *the* same; or,

(b) with intent to defraud *the* Government of any duty, upon a payment of money or delivery of property exceeding twenty rupees in amount or value, give a receipt for an amount or value not exceeding twenty rupees, or separates or divides *the* money or property paid or delivered;

Shall be punishable with fine which may extend to one hundred rupees.

66. Penalty for not making out policy, or making one not duly stamped. - Any person who—

(a) receives, or takes credit for, any premium or consideration for any contract of insurance and does not, within one month after receiving, or taking credit for, such premium or consideration, make out and execute a duly stamped policy of such insurance; or

(b) makes, executes or delivers out any policy which is not duly stamped, or pays or allows in account, or agrees to pay or allow in account, any money upon, or in respect of, any such policy;

Shall be punishable with fine which may extend to two hundred rupees.

67. Penalty for not drawing full number of bills or marine policies purporting to be ins sets.-

Any person drawing or executing a bill of exchange ¹[payable otherwise than on demand] or a policy of marine insurance purporting to be drawn or executed in a set of two or more, and not at *the* same time drawing or executing on paper duly stamped *the* whole number of bills or policies of which such bill or policy purports *the* set to consist, shall be punishable with fine which may extend to one thousand rupees.

68. Penalty for post-dating bills, and for other devices to defraud *the* revenue. -

Any person who—

(a) with intent to defraud *the* Government of duty, draws, makes or issues any bill of exchange or promissory note bearing a date subsequent to that on which such bill or note is actually drawn or made; or

(b) knowing that such bill or note has been so postdated, endorses, transfers, presents for acceptance or payment, or accepts, pays or receives payment of, such bill or note, or in any manner negotiates *the* same; or

(c) with *the* like intent, practices or is concerned in any *act*, contrivance or device not specially provided for by this *Act* or any other law for *the* time being in force ;

Shall be punishable with fine which may extend to one thousand rupees.

69. Penalty for breach of rule relating to sale of stamps and for unauthorized sale.- (a)

Any person appointed to sell stamps who disobeys any rule made under section 74 ; and

(b) any person not so appointed who sells or offers for sale any *stamp* (other than a one-Anna²[or half an Anna]adhesive *stamp*) ;

Shall be punishable with imprisonment for a term which may

¹*Ins. by the Indian Finance Act, 1927 (5 of 1927), s. 5.*

²*Ins. by the Indian Stamp (Amdt.) Act, 1906 (5 of 1906), s. 3.*

Extend to six months, or with fine which may extend to five hundred rupees, or with both.

70. Institution and conduct of prosecutions.- (1) No prosecution in respect of any offence punishable under this Act¹ * * * shall be instituted without *the* sanction of *the* Collector or such other officer as²*[the*³*[Provincial Government]]* generally, or *the* Collector specially, authorizes in that behalf.

(2) *The*⁴*[Chief Revenue Authority]*, or any officer generally or specially authorized by it in this behalf, may stay any such prosecution or compound any such offence.

(3) *The* amount of any such composition shall be recoverable in *the* manner provided by section 48.

71. Jurisdiction of Magistrates.- No Magistrate other than⁵ * * * a Magistrate whose powers are not less than those of a Magistrate of *the* second class, shall try any offence under this *Act*.

72. Place of trial.- Every such offence committed in respect of any instrument may be tried in any district⁶ * * * in which such instrument is found as well as in any district⁶ * * * in which such offence might be tried under *the* Code of Criminal Procedure for *the* time being in force.

CHAPTER VIII

SUPPLEMENTAL PROVISIONS

73. Books, etc., to be open to inspection.- Every public officer having in his custody any registers, books, records, papers, documents or proceedings, *the* inspection whereof may tend to secure any duty, or to prove or lead to *the* discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit any person authorized in writing by *the* Collector to inspect for such purpose *the* registers, books,

papers, documents and proceedings, and to take such notes and extracts as he may deem necessary, without fee or charge.

¹Omitted by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981; s. 5 and Sch. IV (Only to the extent of Islamabad Capital Territory).

²Subs. by A.O., 1937, for “the L. G.”.

³Subs. by A.O., 1964, Art. 2 and Sch., for “collecting Government”.

⁴ See foot-note 1, on page 76, *supra*.

⁵ The words “a Presidency Magistrate or” omitted by A.O., 1949, Sch.

⁶The words “or presidency-town” rep. by the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s. 3 and II. Sch.

74. Power to make rules relating to sale of stamps.- The ¹[Provincial Government] ²* * * may make ³rules for regulating—

- (a) *The* supply and sale of stamps and stamped papers,
- (b) *The* persons by whom alone such sale is to be conducted, and
- (c) *The* duties and remuneration of such persons:

Provided that such rules shall not restrict *the* sale of one Anna ⁴[or half an Anna] adhesive stamps.

75. Power to make rules generally to carry out Act.- The ⁵[Provincial Government] may make rules⁶ to carry out generally *the* purposes of this *Act*, and may by such rules prescribe *the* fines, which shall in no case exceed five hundred rupees, to be incurred on breach thereof.

76. Publication of rules. - ⁷[(1) All rules made under this *Act* shall be published in *the* official Gazette.]

(2) All rules published as required by this section shall, upon such publication, have effect as if enacted by this Act.

⁸[76A. Delegation of certain powers.- ⁹[*The* ¹⁰[Federal Government]] ¹¹* * * and *the* Provincial Government, may by notification in *the* official Gazette] delegate—

(a) All or any of *the* powers conferred on it by sections 2 (9), 33 (3) (b), 70 (1), 74 and 78 to *the* ¹²[Chief Revenue Authority]; and

(b) All or any of *the* powers conferred on *the* ¹²[Chief Revenue Authority] by sections 45 (1) (2), 56 (I) and 70 (2) to such subordinate Revenue-authority as may be specified in *the* notification.]

¹*Subs. by A.O., 1964, Art. 2 and Sch., for “collecting Government” which had been subs. by A.O., 1937, for “L. G.”*

²*The words “subject to the control of the G.G. in C;” rep. by A. O. 1937.*

³*For such rules, see different local Rules and Orders.*

⁴*Ins. by the Indian Stamp (Amdt.) Act, 1906 (5 of 1906). s. 3.*

⁵ *Subs. by A.O., 1964, Art. 2 and Sch., for “collecting Government” which had been subs. by A.O., 1937, for “G. G. in C.”*

⁶*See the Indian Stamp Rules, 1925.*

For the Punjab Non-Judicial Stamps Refund, Renewal and Disposal Rules, 1954, see Gaz. of Punjab, 1954, Pt. I, p. 970.

⁷*Subs. by A.O., 1937, for the original sub-section.*

⁸*S. 76A ins. by the Decentralization Act, 1914 (4 of 1914), s. 2 and Sch., Pt. I.*

⁹*Subs. by A.O., 1937, for “The L. G. may, by notification in the local official Gazette”.*

¹⁰*Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.*

¹¹*The words and figures “subject to the provisions of section 124 (1) of the Government of India Act, 1935,” omitted by A.O., 1961, Art. 2 and Sch. (with effect from the 23rd March. 1956).*

¹²*See foot-note 1, on page 76, supra.77. Saving as to court-fees.- Nothing in this Act contained shall be deemed to affect the duties chargeable under any enactment for the time being in force relating to court-fees.*

78. Act to be translated and old cheaply.- Every ¹[Provincial Government] shall make provision for *the* sale of translation of this *Act* in *the* principal vernacular languages of *the* territories administered by it at a price not exceeding four annals per copy.

79. [Repeal.] Rep. by *the* Repealing 1914 (X of 1914), s. 3 and Sch. II.

SCHEDULE 1

STAMP-DUTY ON INSTRUMENTS

(See section 3)

Description of Instrument Proper *stamp* duty .

For entries see respective Provincial Law. For entries fee respective Provincial Law.

SCHEDULE II.-[Enactments repealed.] Rep. by *the Amending Act*, 1914 (X of 1914), s. 3 and Schedule II.

¹ *Subs. by A.O...1937, for "L. G."*.