

1996

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STAMP DUTIES AND TAXES (AMENDMENT) BILL 1996

EXPLANATORY MEMORANDUM

Circulated by the authority of the Chief Minister and Treasurer

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Stamp Duties and Taxes (Amendment) Bill 1996

Summary

The *Stamp Duties and Taxes Act 1987* (the Act) provides for the imposition of stamp duty on a limited number of commercial documents and transactions, including the transfer of marketable securities of companies incorporated in the Territory and the sale and purchase by brokers in the Territory of marketable securities listed on an Australian Stock Exchange or on a prescribed stock exchange

This Bill will amend the Act to extend the definition of marketable security to include Commonwealth Instalment Receipts which are a new form of security specifically developed in relation to the sale of shares in the Commonwealth Bank of Australia. This will ensure that ACT duty will be payable on the transfer of such Instalment Receipts when traded privately or on the Australian Stock Exchange through brokers located in the ACT

The Bill proposes that the amendments have retrospective commencement from 15 July 1996, the date on which Commonwealth Instalment Receipts were first issued. This is in line with the Governments' announcement contained in a Media Release issued on 14 July 1996, to provide certainty for the Commonwealth Government, the Australian Stock Exchange and potential investors. Similar announcements were made by other State Governments which had not had an opportunity to amend their legislation to duty Instalment Receipts from the date of their first issue

Financial implications

The additional stamp duty revenue that will be collected cannot be quantified

Details of the Bill are attached

Details of the Stamp Duties and Taxes (Amendment) Bill 1996

Title

Clause 1 - provides for the short title for this Act to be the *Stamp Duties and Taxes (Amendment) Act 1996*

Commencement

Clause 2(1) - provides that sections 1,2 and 3 commence on the day that this Act is notified in the Gazette,

Clause 2(2) - provides that section 4 commenced on 15 July 1996

Principal Act

Clause 3 - refers to the Principal Act being amended as the *Stamp Duties and Taxes Act 1987*

Interpretation

Clause 4 - amends section 4 of the Principal Act and provides for the definition of marketable security to include a Commonwealth instalment receipt, being a security which evidences the right of the owner to a beneficial interest in shares that have been disposed of by the Commonwealth and are being held in trust for the owner

Transfer subject to tax or stamp duty

Clause 5 - amends section 44 of the Principal Act by inserting a new subsection (3) which provides that, for the purpose of paragraph (1)(b), a Commonwealth instalment receipt will be regarded as being a marketable security of the company in which the shares to which it relates are held