

## EXPLANATORY STATEMENT

### AUSTRALIAN CAPITAL TERRITORY

#### STAMP DUTIES AND TAXES (AMENDMENT) ORDINANCE (NO. 3) 1988

No. 79, 1988

Responsibility for the imposition and payment of ACT Stamp Duties and similar taxes was transferred from the Commonwealth Commissioner of Taxation to the ACT Commissioner for Revenue Collections on 1 August 1987. The transfer was effected by s.59 of the Taxation Laws Amendment Act (No. 2) 1987 which amended various Commonwealth Acts imposing these duties and taxes in the Territory and by the enactment of the Stamp Duties and Taxes Ordinance 1987 (the Principal Ordinance).

In substance the provisions of the Principal Ordinance were intended to reflect the provisions of the existing law as set out in these Commonwealth Acts including the Australian Capital Territory Taxation (Administration) Act 1969 and the Australian Capital Territory (Insurance Business) Act 1969.

However certain amendments made to these two Acts under Parts II and III of the Taxation Laws Amendment Act (No. 2) 1987 were overlooked. These amendments, provided for an exemption from Stamp Duty in relation to international trade insurance premiums and the exemption operated retrospectively from 1 January 1987. The amendments were made in accordance with a press statement by the Treasurer dated 24 December 1986.

It is clear that the exemption from Stamp Duty for premiums in respect of international trade insurance should have been incorporated in the Principal Ordinance.

As the matter now stands the exemption only applies between 1 January and 31 July 1987.

The proposed Stamp Duties and Taxes (Amendment) Ordinance (No. 3) 1988 (the Ordinance) amends the Principal Ordinance to rectify this situation and gives effect to the policy announced by the Treasurer. The amendments made by the Ordinance apply in relation to the premiums received by an insurer in respect of insurance effected by the insurer on or after 1 August 1987.

The retrospective operation of the provisions of the Ordinance does not affect the rights of any person (other than the Commonwealth) in a manner prejudicial to that person.

Details of each of the provisions are set out in the Attachment.

ISSUED BY THE AUTHORITY OF  
THE MINISTER OF STATE FOR  
THE ARTS AND TERRITORIES

**ATTACHMENT**

Section 1 cites the short title of the Ordinance.

Section 2 defines "Principal Ordinance" as the Stamp Duties and Taxes Ordinance 1987.

Section 3 amends section 4 of the Principal Ordinance, an interpretation section, by inserting in subsection (1) definitions of:

- "aircraft"
- "international trade insurance"
- "international transport"
- "ship"

Section 4 amends Schedule 2 of the Principal Ordinance which lists six categories of exempt general insurance premiums. This list is extended to a seventh category, international trade insurance, by the addition of paragraph (g).

Section 5 provides that the amendments made by the Ordinance apply retrospectively. All premiums received by an insurer in respect of international trade insurance effected by the insurer on or after 1 August 1987 are exempted from liability for Stamp Duty.