

AUSTRALIAN CAPITAL TERRITORY
TAXATION (ADMINISTRATION) ACT 1987
STAMP DUTIES (MARKETABLE SECURITIES)

DETERMINATION NO. 131 OF 1994

EXPLANATORY STATEMENT

The *Taxation (Administration) Act 1987* deals with the Administration of various tax laws relating to the imposition and collection of certain taxes, duties and fees. These tax laws are specified in section 3 of the Act. Section 99 empowers the Minister to determine these taxes, duties and fees.

One of the specified tax laws is the *Stamp Duties and Taxes Act 1987*, Part V of which deals with marketable securities.

This determination revokes Determination No 148 of 1993 dated 9 October 1993 and notified in the ACT Gazette No S224 of 1 November 1993. It alters the rate of stamp duty payable on the transfer of marketable securities that are liable for duty in the Territory.

Currently duty is payable at the rate of 15 cents for each \$25-00 or part of \$25-00.

To achieve a greater level of uniformity, all States and Territories have agreed to standardise the rate of stamp duty payable on transfers of marketable securities. The rate agreed to is 60 cents for each \$100-00 or part of \$100-00.

This adjustment will mean that duty on amounts of less than \$100-00 will be 60 cents rather than the current rates of 15, 30, 45 or 60 cents. This change will not have any significant impact on the amount of revenue collected.

The determined amount pursuant to section 50 of the *Stamp Duties and Taxes Act 1987* will only apply to transfers executed prior to 1 September 1994. This section currently applies to all registrations of shares on registers outside the Territory, as a means of ensuring that shares are not transferred between jurisdictions with different exemptions to avoid duty. After 1 September all off-market transfers of shares in ACT incorporated companies are liable for duty in the ACT, so it is unnecessary to require the registration of transfers of shares that are on registers outside the Territory.

Currently a minimum duty of \$20-00 is imposed on all transfers of marketable securities. This instrument removes the minimum duty from transfers of marketable securities that are included in returns prepared by participants of the Clearing House Electronic Subregister System (CHESS), or prescribed corporations. This achieves consistency with treatment of other taxes paid by return, that are not subject to minimum duty.

Circulated by the authority of the Chief Minister and Treasurer