



TRINIDAD AND TOBAGO

No. 14—1952

[L.S.]

I ASSENT,

H. E. RANCE,
Governor

7th April, 1952.

AN ORDINANCE to amend the Stamp Duty Ordinance,
Chapter 33. No. 4.

[17th April, 1952.]

Commence-
ment

Enactment

ENACTED by the Governor of Trinidad and Tobago with the advice and consent of the Legislative Council thereof.

Short title

1. This Ordinance may be cited as the Stamp Duty (Amendment) Ordinance, 1952, and shall be read as one with the Stamp Duty Ordinance, hereinafter referred to as the Principal Ordinance.

Ch. 33. No. 4

2. The following section is hereby added to the Principal Ordinance immediately after section 54:—

New section
54A added to
Principal Ordinance.

“Relief from
transfer stamp
duty in case of
reconstructions or
amalgamations
of companies.”

54A. (1) If in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any companies it is shown to the satisfaction of the Commissioner of Inland Revenue that there exist the following conditions, that is to say—

- (a) that a company with limited liability is to be registered, or the nominal share capital of a company has been increased ;
- (b) that the company (in this section referred to as “the transferee company”) is to be registered or has increased its capital with a view to the acquisition either of the undertaking of, or of not less than ninety per cent. of the issued share capital of, any particular existing company ;
- (c) that the consideration for the acquisition (except such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) consists as to not less than ninety per cent. thereof—
 - (i) where an undertaking is to be acquired in the issue of shares in the transferee company to the existing company or to holders of shares in the existing company ; or
 - (ii) where shares are to be acquired in the issue of shares in the transferee company to the holders of shares in the existing company in exchange for the shares held by them in the existing company ;

then, subject to the provisions of this section, stamp duty under the heading “Conveyance or transfer on sale of any property” in the Schedule to this Ordinance shall not be chargeable on any instrument made for the purposes of or in connection with the transfer of the undertaking or shares or on any instrument made for the purposes of or in connection with the assignment to the transferee company of any debts, secured or unsecured, of the existing company,

nor shall any such duty be chargeable on any instrument vesting, or relating to the vesting of, the undertaking or shares in the transferee company :

Provided that—

- (a) no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable or it has in accordance with the provisions of section 27 of this Ordinance, been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped : and
- (b) the provisions of this subsection shall not apply unless the instrument is either—
 - (i) executed within a period of twelve months from the date of the registration of the transferee company or the date of the resolution for the increase of the nominal share capital of the transferee company, as the case may be ; or
 - (ii) made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the Registrar of Companies within the said period of twelve months ; and
- (c) the foregoing provision with respect to the release and assignment of debts of the existing company shall not, except in the case of debts due to banks or to trade creditors, apply to debts which were incurred less than two years before the proper time for making a claim for exemption under this section.

(2) For the purposes of a claim for exemption under subsection (1) of this section, a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital shall be treated as if it had increased its nominal share capital.

(3) A company shall not be deemed to be a particular existing company within the meaning of this section unless it is provided by the memorandum of association of the transferee company that one of the objects for which the company is established is the acquisition of the undertaking of, or shares in, the

existing company, or unless it appears from the resolution for the increase of the capital of the transferee company that the increase is authorised for the purpose of acquiring the undertaking of, or shares in, the existing company.

(4) Where a claim is made for exemption under this section, the Commissioner of Inland Revenue may require the delivery to him of a statutory declaration in such form as he may direct, made by a solicitor of the Supreme Court and of such further evidence, if any, as the Commissioner may reasonably require.

(5) If—

(a) where any claim for exemption from duty under this section has been allowed, it is subsequently found that any declaration or other evidence furnished in support of the claim was untrue in any material particular, or that the conditions specified in subsection (1) of this section are not fulfilled in the reconstruction or amalgamation as actually carried out ; or

(b) where shares in the transferee company have been issued to the existing company in consideration of the acquisition, the existing company within a period of two years from the date, as the case may be, of the registration or of the authority for the increase of the capital, of the transferee company ceases, otherwise than in consequence of reconstruction, amalgamation, or liquidation, to be the beneficial owner of the shares so issued to it ; or

(c) where any such exemption has been allowed in connection with the acquisition by the transferee company of shares in another company, the transferee company within a period of two years from the date of its registration or of the authority for the increase of its capital, as the case may be, ceases,

otherwise than in consequence of reconstruction, amalgamation or liquidation, to be the beneficial owner of the shares so acquired ;

the exemption shall be deemed not to have been allowed, and an amount equal to the duty remitted shall become payable forthwith, and shall be recoverable from the transferee company as a debt due to Her Majesty for the use of the Colony, together with interest thereon at the rate of five per cent. per annum from the date on which it would have become chargeable if this section had not been enacted.

(6) If in the case of any scheme of reconstruction or amalgamation the Commissioner of Inland Revenue is satisfied that at the proper time for making a claim for exemption from duty under subsection (1) of this section there were in existence all the necessary conditions for such exemption other than the condition that not less than ninety per cent. of the issued share capital of the existing company would be acquired by the transferee company, the Commissioner may, if it is proved to his satisfaction that not less than ninety per cent. of the issued capital of the existing company has under the scheme been acquired within a period of six months from the earlier of the two following dates, that is to say—

- (a) the last day of the period of one month after the first allotment of shares made for the purposes of the acquisition ; or
- (b) the date on which an invitation was issued to the shareholders of the existing company to accept shares in the transferee company ;

and on production of the instruments on which the duty paid has been impressed, direct repayment to be made of such an amount of duty as would have been remitted if the said condition had been originally fulfilled.

(7) In this section, unless the context otherwise requires—

References to the undertaking of an existing company include references to a part of the undertaking of an existing company :
The expression "shares" includes stock."

3. The following heading and section are hereby added to the Principal Ordinance immediately after section 66:—

New heading
and section
added to
Principal
Ordinance

"Policies of life insurance"

Policies of life
insurance

66A. (1) A policy of insurance upon any life or lives or upon any event or contingency relating to or depending upon any life or lives is not to be stamped after the execution thereof.

(2) Every person who makes or executes or delivers out any such policy not duly stamped shall incur a penalty of two hundred and forty dollars."

4. The Schedule to the Principal Ordinance is hereby amended—

Schedule to
Principal
Ordinance
amended

(a) by adding to the list of exemptions from payment of duties under the head "Bill of Exchange, Cheque, or Order, payable on demand or at sight or on presentation, or within three days after date or sight" the following exemptions:—

"Cheques issued by the Postmaster General under the Post Office Ordinance.

Cheques issued by the Postmaster General under the Post Office Savings Bank Ordinance.

Cheques issued by the General Manager of the Port Services Department.

Cheques issued by the General Manager of Railways.

Cheques issued by the Director of the Colonial Microbiological Research Institute, Trinidad.";

(b) by adding to the list of exemptions from payment of duties under the head "Letter or Power of Attorney, Mandate or other instrument in the nature thereof" the following exemption:—

"5. Order, request, or direction under hand only from the proprietor of any stock or owner of any shares to any company or to any officer of a company to pay the dividends or interest arising from the stock or shares to any person therein named."

Passed in Council this twenty-eighth day of March, in the year of Our Lord one thousand nine hundred and fifty-two.

T. F. FARRELL

Clerk of the Council