

STAMP (AMENDMENT) BILL, 2023

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STAMP (AMENDMENT) BILL, 2023

A BILL FOR AN ACT TO AMEND THE STAMP ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Stamp Act (*Ch. 370*), may be cited as the Stamp (Amendment) Act, 2023.
- (2) This Act shall come into force on the 1st day of July, 2023.

2. Repeal and replacement of section 28F of the principal Act.

Section 28F of the principal Act is repealed and replaced as follows —

“28F. Dividends-in-specie.

- (1) Subject to paragraph (2), a dividend-in-specie, or other transfer or vesting of the beneficial interest in property by a company to or in any of its members, shall constitute a change in beneficial ownership and accordingly shall be subject to stamp duty in the same manner as if such change in beneficial ownership had occurred in favour of a person who was not a member of the company.
- (2) A dividend-in-specie, or other transfer or vesting of the beneficial interest in property by a company to a person who alone beneficially owns 95% or more of the shares of the company shall only constitute a change in beneficial ownership to the extent of the proportion of the company’s shares that are not beneficially owned by such person.
- (3) For the avoidance of doubt, subsection (2) does not include persons who separately own shares in a company which cumulatively amount to 95% of the issued shares of the company.

- (4) This section shall apply whether the dividend-in-specie or other transfer or vesting of the beneficial interest in property occurs in the course of the winding-up of a company or otherwise.”.

3. Insertion of new section 33A into the principal Act.

The principal Act is amended by the insertion immediately after section 33 of the following new section —

“33A. Enforcement powers.

For purposes of the administration and enforcement of this Act, sections 62 to 78 of the Value Added Tax Act, 2014 (*No. 32 of 2014*) shall apply as if stamp duty was a tax under the Value Added Tax Act, 2014 (*No. 32 of 2014*).”.

OBJECTS AND REASONS

This Bill seeks to amend the Stamp Act to —

- (a) provide an exception to dividend in specie transactions being exigible to stamp duty where the transfer is from the company to an existing shareholder holding 95% or more of the shares in the company.
- (b) expressly prescribe the administration and enforcement measures in the Value Added Tax Act are applicable to the collection and payment of stamp duty.