



STAMP DUTY ON MARKETABLE SECURITIES

2000-01 Budget Amendments

Taxation (Administration) Act

Issued: May 2000

Revenue Circular: SD 003

TERRITORY REVENUE MANAGEMENT

Postal Address: Commissioner of Taxes, GPO Box 154, Darwin NT 0801
Office Location: Commissioner of Taxes, 38 Cavenagh Street, Darwin NT
Website: www.nt.gov.au/ntt/revenue

Telephone: (08) 8999 7949
Facsimile: (08) 8999 5577
Email: ntrevenue.ntt@nt.gov.au

Purpose of this Circular

1. The purpose of this circular is to:
 - advise of proposed amendments to the *Taxation (Administration) Act* (the Act) to ensure that stamp duty is paid on sale and purchase orders received in the Territory by a representative carrying on business in the Territory on behalf of a broker; and
 - confirm the Territory's commitment to abolish stamp duty on off-market and on-market transfers of marketable securities that are quoted on a recognised stock exchange.

2000-01 Budget Amendments

2. Section 66 of the Act imposes duty on a sale or purchase of a marketable security made by a broker pursuant to an order given to an agent or employee of the broker who carries on business on behalf of the broker in the Territory.
3. As part of the 2000-01 Budget measures, section 66 will clarify that duty is payable in respect of orders given to a person who in any representative capacity, carries on business on behalf of the broker in the Territory. The amendments will take effect from **1 July 2000**.

Cessation of Duty

4. Stamp Duty on off-market and on-market transfers of marketable securities that **are quoted on a recognised stock exchange** will cease to apply from **1 July 2001**. The decision to abolish the duty forms part of the Territory's commitments under the national tax reform arrangements. Transfers of marketable securities that are not quoted on a recognised stock exchange will remain liable to duty.
5. The proposed amendments are in the *Financial Relations Agreement (Consequential Provisions) Bill 2000*. The amendments provide for relevant stock exchanges to be prescribed by regulation.
6. The proposed amendments will also:
 - preserve the liability to duty for transactions made up to and including 30 June 2001;
 - maintain the requirement for brokers to keep records of sales and purchases made for a period of three years after the cessation date; and
 - remove the prohibition on company registrars from registering relevant transfers made on or after 1 July 2001 without a stamped instrument.

Reference should be made to the *Financial Relations Agreement (Consequential Provisions) Bill 2000*, *Taxation (Administration) Amendment Bill 2000* and *Stamp Duty Amendment Bill 2000* for precise details of the proposed amendments. For general information, please contact this office on ☎ (08) 8999 7941.

COMMISSIONER OF TAXES