

Computation of Stamp Duty

AAT Level III Corporate & Personal Taxation (CPT)

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Taxation

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Stamp Duty

- **Applicable Law**
- *No. 12th of 2006 Stamp Duty (Special Provision) Act.*
- According to the rules specified, following instruments issued or transacted in Sri Lanka are subject to stamp duty.
- This tax will be charged by both central government and provincial council.

Stamp Duty

- Instruments (transaction) subject to stamp duty.
- 1.An affidavit.
- 2.A Receipt.
- 3.A lease or hire of any property.
- 4.A policy of insurance.
- 5.A promissory note.
- 6.A transaction entered using credit card.
- 7.A mortgage.

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Stamp Duty

- 8.A gift or transfer .
- 9.A deed transfer.
- 10.A warrant.
- 11.A litigation file In the court.

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Stamp Duty

- **Transaction/Instruments exempted from stamp duty.**
- 1.A life insurance policy.
- 2.A receipt less than Rs. 25,000/=.
- 3.Any instruments issued on behalf of government of Sri Lanka.
- 4.A housing loan mortgage less than Rs. 3 million.
- 5.Domestic credit card transactios.

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Stamp Duty

- **Methods of Stamp duty payment.**
- Pasting stamp for value.
- Compounding with payment.
- Direct deposit to stamp duty collection account and paste the deposit slip on the relevant instrument.

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Stamp Duty

- Stamp Duty rates. (Central government)

Instrument/Transaction	Rate (Rs.)
Any affidavit	50.00
Any policy of Insurance for every Rs. 1,000 or part thereof	1.00
Credit card transaction for every Rs. 1,000 or part thereof	25.00
Any promissory note for every Rs. 1,000 or part thereof	1.00
Lease or Hire for every Rs. 1,000 or part thereof	10.00
A receipt above Rs.25,000	25.00

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Stamp Duty

- Stamp Duty rates (Provincial council)

Instrument/Transaction	Rate (Rs.)
Gift or Deed of gift	
If value of such is less than Rs.50,000 for every Rs.100 or part	3.00
If it exceed Rs.50,000 for every Rs 100 up to Rs.50,000	3.00
And amount exceed Rs.50,000 for every 100 or part	2.00
Transfer of conveyance or any Property other than gift	
Up to Rs 100,000 for every Rs.100 and part thereof	3.00
Value exceed Rs.100,000 for every Rs.100 and part thereof	4.00

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Stamp Duty

- Example
- 1. If company issued following receipt calculate SD payable. R1 Rs. 20,000, R2 Rs. 26,000, Rs. 35,000, R4 Rs. 54,000.
- 2. If deed value is Rs. 1,560,000. Calculate SD payable.
- 3. Policy of insurance Rs.7,650. Calculate SD payable.
- 4. If policy of insurance Rs.8,000. Calculate SD payable.

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