

L.N. 100 of 1965

STAMP DUTIES ACT (CAP. 191)
Stamp Duties on Bills of Exchange (Composition)
Regulations 1965

Commencement : 1st September 1965

In exercise of the powers conferred by sections 105 and 113 of the Stamp Duties Act, and of all other powers enabling me in that behalf, I hereby make the following regulations—

1. Without prejudice to the provisions of section 4 and section 38 (1) of the Act, the Board may enter into an agreement with any banker, in the form set out in the First Schedule, for the composition, in accordance with the following provisions of these regulations, of the stamp duty chargeable under the heading "BILL OF EXCHANGE payable on demand" in the Schedule to the Act, on such instruments—

Composi-
tion of
Stamp
Duties.
First
Schedule.

(a) drawn on the banker by his customers on forms supplied by him, or

(b) drawn by the banker on himself or another banker,

as may be specified in the agreement.

2. Any such agreement shall require the banker to deliver to the Board, in such form as the Board shall require, periodical accounts in respect of the instruments to which the agreement relates giving particulars—

Banker to
deliver
periodical
accounts.

(a) of forms supplied by it to its customers with a view to their being completed and issued by the customers, and of forms so supplied but returned unused or spoilt, and

(b) of such instruments issued by him,

and may contain such other terms and conditions as the Board thinks fit.

3. Where any such agreement has been made with a banker, any instrument to which the agreement relates and which bears the inscription "Stamp Duty Paid" or such other inscription or indication of the payments of stamp duty as the Board may require, shall not be chargeable with stamp duty, but the banker shall pay to the Board, on the delivery of any account under the agreement such sums as would but for the provisions of this regulation have been chargeable by way of stamp duty on such instruments during the period to which the account relates, it being assumed for this purpose that the number of such instruments issued by his customers was equal to the number of forms supplied less the number of forms returned unused or spoilt.

Payment
by Banker.

4. (i) The Board may, in pursuance of any such agreement, grant a licence to any printer to print and deliver to any banker, forms of Bills of Exchange bearing a printed medallion of the design shown in the First and Second Schedules.

Board may
grant licence
to Printer.

(ii) The licence shall be in the form set out in the Second Schedule.

Second
Schedule.

(iii) Any printer to whom a licence is granted shall give security in the sum of two thousand pounds in such manner and form as the Board shall prescribe, and if by bond, the bond shall be exempted from stamp duty.

(iv) Any printer to whom a licence is granted shall, in such form as the Board may require, render to the Board periodical returns in the terms of such licence.

(v) The licence may at any time be revoked by the Board.

Fines for default.

5. Where a banker makes default in delivering any account required by any agreement made in pursuance of these regulations or makes default in paying the duty payable on the delivery of any such account, or where any printer makes default in rendering any return required under these regulations, the banker or printer shall be liable to a fine of fifty pounds and the amount of such fine shall not, save as provided under the Act, be subject to mitigation.

Interpretation.

6. In these regulations unless the context otherwise requires—

“Act” means the Stamp Duties Act (Cap. 191) ;

“banker” has the same meaning as is assigned to Bank under the Banking Act (Cap. 19) ;

“Board” means the Federal Board of Inland Revenue constituted under the provisions of section 3 of the Companies Income Tax Act, 1961 ;

“printer” means a company, incorporated and registered under the Companies Act (Cap. 37), carrying on printing business.

Citation, application and commencement.

7.—(1) These regulations may be cited as the Stamp Duties on Bills of Exchange (Composition) Regulations 1965, and shall come into operation on the 1st day of September 1965.

(2) These regulations shall be of Federal application.

Regulation 1

FIRST SCHEDULE

An Agreement made the.....day of.....one thousand nine hundred and.....between.....

(hereinafter called “the banker”) of the one part and the FEDERAL BOARD OF INLAND REVENUE (hereinafter called “the Board”) which expression shall include the Federal Board of Inland Revenue for the time being and its successor in office of the other part.

WHEREAS :

1. The banker desires to avail itself of the provisions of regulation 1 of the Stamp Duties on Bills of Exchange (Composition) Regulations 1965, enabling the banker in accordance with the provisions of that regulation to compound for the Stamp Duty chargeable under the heading “Bill of Exchange payable on demand” in the Schedule to the Stamp Duties Act on such instruments

(a) drawn on the banker by its customers on forms supplied by it or

(b) drawn by the banker on itself or another banker as are hereinafter specified.

2. Specimen forms of such instruments (as shown in the First Part of the Schedule hereto) have been submitted by the banker to the Board and have been approved by the Board and further specimens may from time to time be furnished by the Banker to the Board during the continuance of this Agreement for approval by the Board and if approved shall be added to the Schedule hereto.

3. The banker has with the approval of the Board nominated the Printers whose names and addresses are shown in the Second Part of the Schedule hereto to print and supply to the banker forms of Bills of Exchange as shown in the Schedule hereto bearing a printed medallion of an approved design (as also shown in the Schedule hereto) and those printers have been licensed by the Board to print and deliver to the banker such forms accordingly and the Board may at its discretion during the continuance of this Agreement give licence and authority to other printers nominated by the banker to print and supply to the banker forms of Bills of Exchange as aforesaid and on every such occasion of licence and authority the names and addresses of the printers shall be added to the Schedule hereto.

4. The Board is willing to enter into an agreement with the banker accordingly.

NOW THIS AGREEMENT WITNESSETH and it is hereby agreed and declared as follows :

1. (a) For the purposes of this Agreement the expression "approved form" means a form of Bill of Exchange as shown in the Schedule hereto bearing a medallion of an approved design and supplied to the banker by any of the licensed printers named in the Schedule hereto in accordance with the terms of his licence ;

(b) Unless the context otherwise requires other expressions in this Agreement shall have the same meaning as in the Stamp Duties Act.

(c) This Agreement shall remain in force until determined by the Board or the banker as hereinafter provided.

2. The provisions of the Stamp Duties on Bills of Exchange (Composition) Regulations 1965, shall apply to—

(a) Bills of Exchange payable on demand drawn on any branches or offices of the banker in Nigeria by its customers on approved forms supplied by it to its customers during the period of this Agreement, and

(b) Bills of Exchange payable on demand drawn during the period of this Agreement on approved forms by the Banker on itself or another banker.

3. The banker agrees with the Board that it will as required by the provisions of the said regulations deliver to the Board accounts in the form prescribed from time to time by the Board such accounts to be delivered within twenty-one days after the last day of each of the months of January, March, May, July, September and November in each year and to show the particulars required by regulations 2 (a) and (b) of the said regulations in respect of the two calendar months immediately preceding the month in which the account is to be delivered.

4. The banker also agrees with the Board :

(i) not to issue unstamped or to supply to its customers for issue unstamped any forms of Bills of Exchange payable on demand other than approved forms except those which when issued will be exempt from duty otherwise than by virtue of the Stamp Duties on Bills of Exchange (Composition) Regulations 1965 ;

(ii) to maintain such measures and such system of record in relation to

(a) the ordering of supplies of approved forms,

- (b) the arrangements for reception of such supplies,
 - (c) the custody of approved forms,
 - (d) the supply of approved forms to customers of the banker,
 - (e) the use of approved forms by the banker and its officers, and
 - (f) the destruction of approved forms supplied to customers but returned unused or spoilt,
- as have been already approved or may be approved in writing by the Board and not in any way to alter such measures or system of record without the prior written consent of the Board ;
- (iii) to afford full facilities (whenever required so to do) for the inspection of the relevant records of the banker by an officer of the Board for the purpose of verifying the said accounts and satisfying itself as to the due performance of the undertakings in subclauses (i) and (ii) above.

5. The banker hereby designates its.....for the time being as the officer responsible for authentication and delivery of the accounts to be rendered hereunder.

6. Provided always and it is hereby agreed and declared—

(i) If the Board or the banker shall desire at any time to determine this Agreement the Board or the banker shall be at liberty to do so after giving to the other party hereto twelve months notice in writing of its intention to determine the Agreement and the Agreement shall be determined accordingly ;

(ii) The Board shall be at liberty at any time to revoke any licence granted to any of the printers named or to be named in the Schedule hereto and thereupon the Board shall be at liberty to determine this Agreement forthwith in whole or in part if and so far as it sees fit and the Agreement shall be determined accordingly ;

(iii) On the termination however occurring of this Agreement—

(a) the banker shall not thereafter take delivery of or supply or use any approved forms and shall dispose of any stocks of approved forms in its possession in such manner (whether by destruction or otherwise) and subject to such inspection and supervision as the Board shall direct ;

(b) the termination shall not affect the liability of the banker in respect of any act or default occurring before the termination or any obligation of the banker to deliver any account which ought to have been delivered under Clause 3 hereof before the termination ;

(c) the banker shall within twenty-one days after the termination deliver to the Board an account in the prescribed form showing the particulars required by regulation 2 (a) and (b) of the Stamp Duties on Bills of Exchange (Composition) Regulation 1965, in respect of any period which shall have elapsed between the end of the last period for which an account ought to have been delivered before the termination under Clause 3 hereof and the termination ;

(d) the rights of the Board under Clause 4 hereof shall continue for the purpose of verifying any account delivered under this Agreement whether before or after the determination ;

(e) in respect of any approved forms supplied by the banker to its customers during the period of this Agreement which may after the termination be returned to the banker unused or spoilt the Board will on production of the forms or on such other evidence as it may approve repay to the banker any duty paid under regulation 3 of the Stamp Duties on Bills of Exchange (Composition) Regulations 1965, in respect of the forms.

IN WITNESS WHEREOF the banker has hereunto set its common seal and the Board has hereunto signified under the hands of its Chairman, the day and year first above written.

SCHEDULE
FIRST PART
SPECIMEN FORMS OF INSTRUMENT

SECOND PART
PRINTERS' NAMES AND ADDRESSES
DESIGN OF MEDALLION



Regulation 4

SECOND SCHEDULE
STAMP DUTIES ACT (CAP. 191)

Dated at Lagos this.....day of.....19.....

LICENCE TO PRINTERS TO PRINT DUTY PAID STAMPS ON
BILLS OF EXCHANGE

This is to certify that.....

.....
(hereinafter called the Printers) are hereby licensed by the Federal Board of Inland Revenue (hereinafter called the Board) subject to the Conditions listed below to print and deliver to

.....
(hereinafter called the Banker) forms of Bills of Exchange bearing a printed medallion of a design shown in the specimen attached hereto,

CONDITIONS

1. This licence shall apply only to forms of Bills of Exchange of which specimens are approved from time to time by the Board in connection with an Agreement between the banker and the Board dated the.....day of.....19...... Copies of the approved specimens certified by the Board have been supplied and if further specimens are approved copies so certified will be supplied to the Printers. The said medallion shall not without licence from the Board be allowed to appear on any other forms printed or prepared by the Printers.
2. Forms shall be printed under this licence only at the addresses shown in the first column of the Schedule hereto and the Printers shall print their name on all such forms.
3. Forms printed under this licence shall be stored only at the addresses shown in the second column of the Schedule hereto and shall be delivered only to the banker at such of its offices as it may direct.
4. Within twenty-one days after the last day of each of the months of January, March, May, July, September and November in each year the Printers shall render to the Board a return in such form as the Board may, from time to time prescribe, showing the number of completed forms printed under this licence held by the Printers ready for delivery and the number of such forms delivered to the banker during the two months immediately preceding the month in which the return is to be rendered.
5. (i) The Printers undertake with the Board to maintain such security measures in relation to the printing of forms under this licence and the destruction of spoilt forms and to maintain such measures and such system of record in relation to :
 - (a) orders received from the Banker for the printing of forms under this licence ;
 - (b) the custody of forms ready for delivery printed under this licence ;
 - (c) the delivery of such forms to the banker as have been already approved or may be approved in writing by the Board and not in any way to alter such measures or such system of record without the prior consent of the Board.
 (ii) The Printers undertake that after revocation or other termination of this licence they will—
 - (a) print no forms bearing the said medallion (except in so far as the Printers may be licensed to do so under any other licence granted by the Board) ;
 - (b) deliver no such forms to the Banker ;
 - (c) dispose of or deal with any plates for printing forms under this licence and any stocks of forms printed thereunder in such manner (whether by destruction or otherwise) as the Board shall direct.
6. At any time when called upon to do so whether before or after revocation or other termination of this licence the Printers shall—
 - (i) afford full facilities for the inspection by an officer of the Board of the premises specified in the Schedule hereto, of the plates for printing forms under this licence, of the stocks of completed forms printed under this licence, and of the books and records relating to the ordering, storage and delivery of such forms ;

(ii) supply the Board with such information as the Board may require as to the performance by the printers of their duties under this licence.

7. (a) The Board shall be at liberty to revoke this licence at any time and thereupon it shall cease and determine; Provided always that after any such revocation the Printers shall be at liberty to show in writing to the Board cause why in the Printers' opinion the licence should not have been revoked and after any such representation the Board shall be at liberty in its absolute discretion to renew this licence upon such terms as it thinks proper;

(b) Revocation or other termination of this licence shall not affect the liability of the Printers for any act or default done or occurring before the revocation or termination.

8. The Printers testify by their execution hereof their agreement to be bound by the above conditions.

IN WITNESS WHEREOF the Board has hereunto signified under the hands of its Chairman, and the Printers have hereunto set their common seal the day and year first above written.

SCHEDULE

PRINTING PREMISES

STORAGE PREMISES

DESIGN OF MEDALLION



MADE at Lagos, this 4th day of September, 1965.

MUHAMMADU INUWA WADA,
for Federal Minister of Finance

EXPLANATORY NOTE

These regulations empower the Board to enter into an agreement with a banker for compounding of the stamp duty chargeable under the heading "BILL OF EXCHANGE payable on demand". Where such agreement has been made any instrument to which the agreement relates and which bears an inscription or indication, of payment of stamp duty, approved by the Board shall not be chargeable with such duty, but the banker shall pay to the Board such sums as would but for the provisions of these regulations have been chargeable by way of stamp duty on such instrument. The Board may in pursuance of any such agreement grant a licence to any printer to print and deliver to any banker, forms of Bills of Exchange bearing a printed medallion of the design shown in the First and Second Schedules.