## **CERTIFICATE**

In accordance with section 56(2) of the Jamaica (Constitution) Order in Council 1962, I hereby Certify that this Bill shortly entitled The Transfer Tax (Amendment) Act, 2014 is a Money Bill.

> MICHAEL A. PEART Speaker.

# A BILL

## **ENTITLED**

AN ACT to Amend the Transfer Tax Act.

[

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1.—(1) This Act may be cited as the Transfer Tax (Amendment) Short title, Act, 2014, and shall be read and construed as one with the Transfer and com-Tax Act (hereinafter referred to as the principal Act) and all amendments thereto.

construction mencement.

- (2) This Act shall come into operation on the 1st day of January, 2015.
  - 2. Section 17 of the principal Act is amended—

Amendment of section 17

(a) in subsection (1), by deleting the full-stop appearing at of principal the end of paragraph (e) and substituting therefor a semicolon, and inserting next after paragraph (e) the following paragraph—

- "(f) as respects registered collective investment schemes—
  - in the case of investors' shares issued by a collective investment scheme company, any transfer, or agreement for the transfer, of investors' shares in the company; and
  - (ii) in any other case, any transfer, or agreement for the transfer, of shares, units or other participating interests in the collective investment scheme.";
- (b) by inserting next after subsection (2) the following subsection—
  - (2A) For the purposes of subsection (1)—
    - "collective investment scheme" has the meaning assigned to it by section 17A(2) of the Securities Act;
    - "collective investment scheme company" has the meaning assigned to it by section 27A(1) of the *Companies Act*;
    - "investors' shares" has the meaning assigned to it by section 27A(3) of the *Companies Act*;
    - "registered collective investment scheme" means a collective investment scheme that is registered within the meaning of section 17A of the Securities Act.".

3. Section 19 of the principal Act is amended by inserting Amendment of next after subsection (2A) the following subsection—

section 19 of principal Act.

- (2B) Subsection (2) shall not have effect in relation to any document effecting or evidencing a transfer that is exempt under section 17(1)(f).".
- 4. Section 33 of the principal Act is amended—

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Amendment of section 33 of principal Act.

- (a) in subsection (2), by deleting the words "subsection (2A)" and substituting therefor the words "subsections (2A) and (2B)";
- (b) by inserting next after subsection (2A) the following subsection-
  - (2B) The provisions of subsection (2) shall not have effect in relation to a transfer that is exempt under section 17(1)(f).".

Passed in the House of Representative this 2nd day of December, 2014.

MICHAEL A. PEART

Speaker.

#### MEMORANDUM OF OBJECTS AND REASONS

A decision has been taken to amend the Transfer Tax Act to provide for the exemption of certain securities of collective investment schemes (as defined in the Securities Act as amended in 2013). The exemptions are intended to promote further growth and development of the local capital market, facilitate the ease of trading in securities, attract investors to local collective investment schemes, and promote the competitive advantage of securities that will make Jamaica more attractive as a domicile for collective investment schemes.

This Bill seeks to give effect to that decision.

DR. PETER D. PHILLIPS
Minister of Finance and Planning.

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# **ABILL**

## **ENTITLED**

AN ACT to Amend the Transfer Tax Act.

As passed in the Honourable House of Representatives.

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# SECTION 17 OF THE PRINCIPAL ACT WHICH IT IS PROPOSED TO AMEND

| 17.—(1)      | There shall b   | e exempt from taxation  | under this Part—  |
|--------------|---|---|---|
| (a)          | •••   | ***   | ***   |
| (e)          | Stock Exchange the Minister to  | ge, or any other stock exo<br>be recognized for the   | of business on the Jamaic<br>change signified by order of<br>purposes of this paragraph<br>be Jamaica Stock Exchange  |
| (2)          | For the purp  | oses of subsection (1)-   | _   |
| (a)          | "approved" me   | eans approved by order  | of the Minister;  |
| (b)          | property belo<br>Government of<br>paragraph, be<br>Commissioner                         | onging to a transferor<br>of Jamaica or other au<br>e construed to includ   | f paragraph (a) thereof to shall, in relation to the other than the thority mentioned in the property vested in the thank-General for, or for the   |
|              | Accountant-Goright or interessaid Commissifor the use or lauthority in queroperty so ve | eneral of property vested<br>at created with respect the<br>coner of property which<br>benefit of, any authority<br>destion shall be deemed | nmissioner of Lands or the din him as aforesaid or an acreto, or the transfer to the he thereby acquires for, comentioned as aforesaid, the to be the transferor of the rest so created, or to be the as the case may be; |
| , ,          | shall not be  | deemed, by reason or<br>nder the settlement, to   | ed in paragraph (d) thereonly of the settlor being be settled otherwise that  |
|              |   |   | •••   |
| S            |   | F THE PRINCIPAL AC<br>PROPOSED TO AMEN  |   |
| 19.—(1)      |   |   | •••   |
| not have eff | fect in relation  | to any document effecti   | , 1994, subsection (2) sha<br>ing or evidencing a transfe<br>Stock Exchange or, wher  |
|              |   |   |   |

applicable, such other stock exchange as is referred to in subsection (1)(e) of section 17, as falling within the exemption specified in that subsection.

SECTION 33 OF THE PRINCIPAL ACT WHICH IT IS
PROPOSED TO AMEND

33.—(1) ... ... ... ...

(2) Notwithstanding anything to the contrary, but subject to subsection (2A), after the 4th August, 1971, no such transfer shall
(a) ... ... ...

(2A) On and after the 22nd day of April, 1994, the provisions of subsection (2) shall not have effect in relation to a transfer of securities which is certified by the Jamaica Stock Exchange or, where applicable, such other stock exchange as is referred to in subsection (1)(e) of section 17, as falling within the exemption specified in that subsection.