

To

The Secretary,
Government of the Punjab,
Mines & Mineral Department.

Subject: LEVY OF STAMP DUTY ON LEASE AGREEMENT.

Kindly refer to your office letter No. SOT(M&M)6-2/1987(Vol-II) dated 30.11.2017 on the subject cited above.

2. It is stated that stamp duty is charged on instruments as per rates mentioned in Schedule-I of the Stamp Act, 1899, which covers various instruments related to transfer of rights or obligations related to moveable and immovable properties.


3. Instruments related to lease authorizing a party to explore minerals by paying royalty or any other amount to the government for a specified period are required to be stamped under Article 35 of Schedule-I of the Act *ibid*. Proviso to section 26 of the Stamp Act, 1899 elaborates the methodology of calculation of stamp duty on instruments pertaining to lease related to mines in cases where the stamp duty could not be determined on account of the fact that the royalty or share is received by the government as rent or part thereof.

4. Stance of the Mines & Minerals Department that it will not be able to vacate the land from the lessee if the deed is got registered, is mere an apprehension. The rights are granted to the lessee only to the extent of terms & conditions stated in the instrument which include period of lease. It is further added here that instruments do not transfer any ownerships rights of land to the lessees. It is further stated that all instruments of lease are compulsory registerable in terms of Section 17 (1) (d) of Registration Act, 1908.

5. Thus the stance of Mines & Mineral Department regarding non-applicability of stamp duty on the instrument related to moveable properties such as lease awarded by Mines & Mineral Department, is contrary to the explicit provisions of law.

6. I am directed to request you to issue directions to the field formation of your department regarding executing instruments on stamp papers of appropriate denomination related to leases awarded by the Mines & Mineral Department.

This may pleased be assigned top "PRIORITY".


Chief Inspector of Stamps
Board of Revenue, Punjab

C.C.:-

✓ 1. PS to Member (Taxes), Board of Revenue, Punjab.