

Amendment of Rules Framed
Under Stamp Act 1899

Report 83

AMENDMENT OF RULES FRAMED UNDER STAMP ACT 1899

The Registrar Lahore High Court referred a legislative proposal of Honorable Chief Justice for amendment in the rules framed under the Stamp Act 1899. The Honorable Chief Justice observed that in the perpetration of fraud through forged documents can be substantially prevented by printing on each Stamp paper its number. This will make the date of printing of a Stamp paper ascertainable. For this purpose, amendment may be effected in the Rules under the Stamp Act 1899.

Section 74 of the Stamp Act 1899 empowers the Provincial Government to make rules for regulating the sale of Stamps as follows:-

- (a) the supply and sale of stamp papers;
- (b) the persons by whom alone such sale is to be conducted,
and
- (c) the duties and remuneration of such persons.

The following Rules have been framed in exercise of the powers conferred by the Stamp Act, 1899:-

- (i) Pakistan Stamp Rules, 1925.
- (ii) Punjab Stamp Rules, 1939;
- (iii) Stamp Despatch and Receipt Rules, 1934;
- (iv) Stamp Refund, Renewal and Disposal Rules, 1934;
- (v) Stamp Losses and Defalcations Rules, 1935;
- (vi) Supply and Distribution of Stamps Rules 1954.

Supply and Distribution of Stamps Rules, 1954

These rules apply, to the extent set forth therein, to all classes of stamps and to all the Provinces and the Capital of the Federation.

Printing and Supply

Security Printing Corporation:

In accordance to Rule 1 all revenue stamps both judicial and non-judicial, which form sources of central revenues shall be printed only at the Security Printing Corporation at Karachi. If the Corporation, during the contract period is unable to manufacture any of these items, they shall be printed by Messrs Thomas De La Rue and Company, Limited, London alone.

Under Rules 2, the Corporation shall also print and supply such revenue stamps as may be required by the Provincial Governments.

Rule 5 provided that:

Attached to the Corporation shall be a Store, which shall be called the Central Stamps Store. That Store shall be in the immediate charge of the Controller of Stamps.

Rule 8 prescribes the responsibility of the Controller of Stamps that he shall be responsible for regulating the supply and arranging the storage of all kinds of stamps to Central areas. As regards Governors' Provinces his responsibility will be confined to supplying the stamps that are required by the Provincial Government.

Sales of Stamps Papers:

Rule 27 defines the procedure of sale that the Treasurer, or such other officer as the district officer may direct, shall be the ex-officio vendor of all descriptions of stamps in each local depot. Except as provided in the note below or in Rule 33, sales of Government Departments, public or to licensed vendors shall not be made direct from the stores under double lock, such sales being made by the ex officio vendor from the supply entrusted to him for this purpose to be kept by him under single lock.

Rules 33(1) provide that where the officer in-charge of the branch depot has been appointed ex-officio vendor, sales to the public or to licensed vendors may be made direct from the double lock, and the register of the receipt into and issues from single lock prescribed in Rule 28 of these rules and need not be maintained.

The Punjab Stamp Rules, 1934

For the purpose of proper supply and distribution of Stamps Paper as comprehensive procedure for issuance of Stamp / vendor licence and controlling of Sale of Stamps Papers the Authority in exercise of the powers conferred by section 4 of the Stamp Act, 1899, to regulate the supply and distribution of stamps Punjab Stamps Rule 1934 as follows:

- (i) The supply of non-judicial and court-fee stamps and stamped paper;
- (ii) The keeping of accounts of all such stamps used;
- (iii) The sale of such stamps;
- (iv) The persons by whom alone such sale is to be conducted;
- (v) The duties and remuneration of such persons; and
- (vi) The stamps to be used on succession certificates referred

To in section 382 of the Succession Act, 1925.

Sale of Stamps, the persons by whom such sale is to be made and the duties and remuneration of such persons:

Rule 22-

Vendors:

There shall be two classes of vendor, namely-

- (a) Ex-officio vendor as defined in sub rule (f);
- (b) licensed or specially licensed vendor as defined in sub rules (g), (h) and (i).

Rule 23-

No person other than a vendor or his agent as defined in these rules shall sell stamps other than half anna, one anna, two annas and four annas revenue stamps unless specially authorized by the Collector of the district.

Rule 24-

Prohibition of Purchase except from licensed vendors:

Except in the case of half anna, one anna, two annas and four annas revenue stamps, no person shall purchase any stamp from, or exchange any stamp with, any person not authorized under these rules to sell stamps.

Rule 25-

Licensed Vendors:

The maximum number of licensed vendors for the sale of stamps at the headquarters of each district and tahsil, respectively, shall be fixed by the Collector of each district concerned in consultation with the Commissioner of the division, and the Collector shall not, without the concurrence of the Commissioner, issue licences at such headquarters to persons in excess of the number so fixed. In the case of towns and villages which are not such headquarters the number of licenses to be granted shall be fixed by the Collector alone. The Collector may grant a temporary licence for a limited period to any petition-writer or other person who accompanies on tour an officer whose duties necessitate the use of court-fee stamps by parties appearing before him.

Conditions of Licenses.- (i) Every licence granted under these rules shall specify-

- (1) the person licensed;
- (2) the kind and the value of stamps he is licensed to sell, and
- (3) (i) The place at which he is licensed to sell

(3) (ii) Every special licence granted under these rules shall contain same particulars and be in the same form as are stated in sub-rule (i) of this rule. But the Collector may, if he sees fit, grant a special licence in favour of the holder for the time being of a particular office at a particular place, instead of in the name of a particular person.

(i) The Vendor shall obtain all supplies of stamps which he is authorized to sell only from the treasury, District Accounts office of the district for which his licence is granted. Immediately on the obtaining supply of stamps from Treasury, District Accounts Office of Sub-Treasury, the vendor shall stamp all such judicial/non-judicial stamps with a rubber stamp showing his full name, address and licence number.

(ii) The Vendor shall keep such stock of the stamps, which he is authorized to sell, as may be prescribed by the Collector of the district, with due regard to the convenience of the treasury officer, the stamp vendor and the litigant public.

(iii) The vendor shall sell stamps which he is authorized to sell only at the place mentioned in his licence and in accordance with these rules. He shall affix his signature and the date of sale on the stamps.

(iv) (a) The Vendor shall not allow any other person except his agent appointed as in paragraph (b) of this condition to transact on his behalf any business which he is required by these rules to do himself.

(c) During short periods of absence not exceeding one week at a time, the vendor may appoint an agent for the sale of stamps, making a note to this effect in the vend register before and after the entries of the sale by the agent. If the agent is required for more than a week but less than a month he must obtain the permission of the Tahsildar or if resident in a sub-tehsil, of the Naib-Tahsildar. The vendor shall be responsible for all acts of his agent. If the vendor is absent for more than a month the matter must be reported to the Collector who may either (a) authorized the retention of an agent for a longer period or (b) temporarily or permanently transfer the licence to some other person.

(iv) The vendor shall not knowingly endorse on any impressed sheet sold the name of any person other than the actual purchaser, or the person on whose behalf the stamp is being purchased, deliver any stamp sold to any person other than the person whose name is endorsed thereon as that of the purchaser. The vendor shall not also retain in his possession

for more than seven days any endorsed stamp entered as sold in his register of which the vendee fails to take delivery. In case of such failure he shall, on the expiry of seven days, forward the stamp to the Collector for cancellation and refund of its value or issue of another stamp in exchange therefore.

In case of violation of any rule relating to sale of Stamps papers and for unauthorized sale, section 69 of the Act provide the penalty as follows:

69. (a) Any person appointed to sell stamps who disobeys any rule made under section 74; and
(b) Any person not so appointed who sells or offers for sale any stamp (other than a one-anna or half an anna adhesive stamp);

shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or

The Secretariat of the Commission examined the issue in detail and appreciated the proposal of Honourable Chief Justice, to curb the corruption and irregular / illegal sale of backdated Stamps papers, the following amendments are suggested in the Supply and Distribution of Stamps Rules, 1954, namely:-

Rule 2:

The existing rule 2 shall be renumbered as sub-rule (1) of that rule, and after sub-rule (1) renumber as aforesaid, the following new sub-rule shall be added, namely:-

“(2) On the top of each stamped paper, there shall be printed a number and the date of its printing.”

Rule 8:

The existing rule 8 shall be renumbered as sub-rule (1) of that rule, after sub-rule (1) renumbered as aforesaid, the following new sub-rule shall be added, namely:-

“(2) The Controller of Stamps shall maintain the record of serial numbers and date of printing of stamped papers and shall provide the detail of such stamped paper to the Provincial Governments along with the indent of stamped papers”.

Rule 26:-

After the word “denomination”, the comma and words “and the serial number and the date of printing of each stamped paper” shall be inserted.

Rule 28:

After the words and comma “double lock register,” the words and commas “and, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper,” shall be inserted.

Rule 29:

(1) The existing rule 29 shall be renumbered as sub-rule (1) of that rule, and sub-rule (1) renumbered as aforesaid, after the words and comma “double lock,” the words and commas “and, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper,” shall inserted.

(2) After sub-rule (1) renumbered as aforesaid, the following new sub-rule shall be added, namely:-

“(2) Before selling stamped papers to a licensed vendor, the ex-officio vendor shall check and verify that the licensed vendor has sold to the public all of the stamped paper previously sold to him and particulars thereof entered into the concerned register.”

Rule 29A:

In the third paragraphs, after the words “being struck” the words and commas “and, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper,” shall be inserted.

Addition of new rule 33A:

After rule 33, the following new rule shall be inserted, namely:-

“33A. (1) Where a stamped paper is sold to the public under rule 29, 29A or 33, the ex-officio vendor shall enter into the concerned register the serial number and date of the stamped paper along with other particulars prescribed under these rules.

(3) Where a stamped paper is sold to the public by a licensed vendor, he shall enter into the concerned register the serial number and date of printing of the stamped paper along with other particulars prescribed under these rules.”

Furthermore, from perusal of the Supply and Distribution of Stamps Rules, 1954, it transpires that the said Rules have become obsolete and contain many unnecessary provision with respect to the then East Pakistan.

It is one of the functions of the Commission to make recommendations for repealing the obsolete or unnecessary provisions of the laws under clause (v) of sub-section (1) of section 6 of the Law and Justice Commission of Pakistan Ordinance, 1979. Therefore, it shall be advisable that the Commission may take recommendation to the Chief Revenue Authority to recast fresh Rules on the subject in Supersession of the Supply and Distribution of Stamps Rules, 1954.

Comparative Chart

The Supply and Distribution of Stamps Rule, 1954.

<u>Existing Rules</u>	<u>Proposed Rules</u>
<p>2. The Corporation shall also print and supply such revenue stamps a may be required by the Provincial Government, the Government of Afghanistan, Egypt, Eritrea, Iran, Iraq, Lebanon, Nepal, Saudi Arabia, Syria and Turkey on such terms as the Government of Pakistan may determine from time to time.</p>	<p>2.(1)The Corporation shall also print and supply such revenue stamps a may be required by the Provincial Government, the Government of Afghanistan, Egypt, Eritrea, Iran, Iraq, Lebanon, Nepal, Saudi Arabia, Syria and Turkey on such terms as the Government of Pakistan may determine from time to time.</p> <p>“(2) On the top of each stamped paper, there shall be printed a number and the date of its printing.”</p>
<p>8. The Controller of Stamps shall responsible for regulating the supply and arranging the storage of all kind of stamps to Central areas. As regards Governors his responsibility will be confined to supplying the stamps that are required by the Provincial Government.</p>	<p>8.(1)The Controller of Stamps shall responsible for regulating the supply and arranging the storage of all kind of stamps to Central areas. As regards Governors his responsibility will be confined to supplying the stamps that are required by the Provincial Government.</p> <p>“(2) The Controller of Stamps shall maintain the record f the serial numbers and date of printing of stamped papers and shall provide the detail of such stamped paper to the Provincial Governments along with the indent of stamped papers.”</p>
<p>26. Immediately after the stamps received have been counted they shall be placed in proper receptacles in the store under double lock in the presence of the officer-in-charge arranged in parcels and packets containing known quantities, the amount and value of each denomination being entered at the same time in a register maintained to show the receipts and issue, to and from the store under double lock. These entries shall be checked by the</p>	<p>26. Immediately after the stamps received have been counted they shall be placed in proper receptacles in the store under double lock in the presence of the officer-in-charge arranged in parcels and packets containing known quantities, the amount and value of each denomination “and the serial number and date of printing of each stamped paper” being entered at the same time in a register maintained to show the receipts and issue, to and from</p>

<p>officer-in-charge at the time when the stamps are deposited, and the correctness of the arithmetical calculations of additions to balance, as well as to the value compared with quantities, shall be verified and initiated by him at the time. The register shall then be placed with the stamps in the double lock receptacles and shall not be removed there from, nor shall any entries be allowed to be made therein except in the presence of the officer-in-charge.</p>	<p>the store under double lock. These entries shall be checked by the officer-in-charge at the time when the stamps are deposited, and the correctness of the arithmetical calculations of additions to balance, as well as to the value compared with quantities, shall be verified and initiated by him at the time. The register shall then be placed with the stamps in the double lock receptacles and shall not be removed there from, nor shall any entries be allowed to be made therein except in the presence of the officer-in-charge.</p>
<p>28. The stock to be made over to the <i>ex-officio</i> vendor to be kept by him under single lock should ordinarily be sufficient for the probable demand of one month. The <i>ex-officio</i> vendor will maintain a register of receipt into and issues from single lock in the same form as the double lock register, and on a fixed date near the beginning of each month he will prepare an indent for the quantity required for the month in form showing the balances in his hands an average month's consumption and the quantity required. When this indent is presented to the officer-in-charge, he will examine the single lock register and check the correctness of the arithmetical calculations made therein. If he approves the indent he shall then give out the quantity required from the store under double lock check the correctness of the entries made in the double lock register, see that they correspond with those made in the single lock register initial both registers and return the double lock register into the</p>	<p>28. The stock to be made over to the <i>ex-officio</i> vendor to be kept by him under single lock should ordinarily be sufficient for the probable demand of one month. The <i>ex-officio</i> vendor will maintain a register of receipt into and issues from single lock in the same form as the double lock register, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper" and on a fixed date near the beginning of each month he will prepare an indent for the quantity required for the month in form showing the balances in his hands an average month's consumption and the quantity required. When this indent is presented to the officer-in-charge, he will examine the single lock register and check the correctness of the arithmetical calculations made therein. If he approves the indent he shall then give out the quantity required from the store under double lock check the correctness of the entries made</p>

<p>double lock store. The same procedure should ordinarily be followed when stamps are issued from double lock at any intermediate date, but when it is necessary to make issues more than once in one day the prescribed checks need by applied at each time of issue only to the particular descriptions of stamps given out from double lock. There shall be fortnightly verification of the balance of stamps in the hands of the <i>ex-officio</i> vendor unless the Provincial Government are local administration desires that such verification should be more frequent in the Local depot of the Province or area concerned e.g on every day on which stamp issued are issued to the stamp vendor from double locks.</p>	<p>in the double lock register, see that they correspond with those made in the single lock register initial both registers and return the double lock register into the double lock store. The same procedure should ordinarily be followed when stamps are issued from double lock at any intermediate date, but when it is necessary to make issues more than once in one day the prescribed checks need by applied at each time of issue only to the particular descriptions of stamps given out from double lock. There shall be fortnightly verification of the balance of stamps in the hands of the <i>ex-officio</i> vendor unless the Provincial Government are local administration desires that such verification should be more frequent in the Local depot of the Province or area concerned e.g on every day on which stamp issued are issued to the stamp vendor from double locks.</p>
<p>29. From the stock so made over to his charge and kept by him under single lock the <i>ex-officio</i> vendor shall sell stamps to the public and to licensed vendors for cash. He shall maintain the single lock register in the form mentioned in the preceding paragraph in such language as the Provincial Government or local administration may direct entering therein both in quantities and 'values the receipt from double lock, the daily sales and the balance in his hands of each denomination at the end of each day. He shall pay daily into the treasury the cash received by him for stamps sold, the amount realized on treasury the cash received by him for stamps sold, the amount realized on account of each of the, various descriptions of stamps-namely, non-</p>	<p>29. From the stock so made over to his charge and kept by him under single lock the <i>ex-officio</i> vendor shall sell stamps to the public and to licensed vendors for cash. He shall maintain the single lock register in the form mentioned in the preceding paragraph in such language as the Provincial Government or local administration may direct entering therein both in quantities and 'values the receipt from double lock, "and, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper," the daily sales and the balance in his hands of each denomination at the end of each day. He shall pay daily into the treasury the cash received by him for stamps sold, the amount realized on treasury</p>

<p>judicial, Court fee, Postage, Match Excise Banderols. Central Excise Revenue Stamps. Tobacco Excise Duty labels. Insurance Agents Licence Fee Stamps. Defence (or National) Saving Stamps, etc. being paid in separately. The account of the daily sales should be inspected and the correctness of the calculations shows therein checked every day by the office-in-charge of the depot.</p>	<p>the cash received by him for stamps sold, the amount realized on account of each of the, various descriptions of stamps-namely, non-judicial, Court fee, Postage, Match Excise Banderols. Central Excise Revenue Stamps. Tobacco Excise Duty labels. Insurance Agents Licence Fee Stamps. Defence (or National) Saving Stamps, etc. being paid in separately. The account of the daily sales should be inspected and the correctness of the calculations shows therein checked every day by the office-in-charge of the depot.</p> <p>“(2) Before selling stamped papers to a licensed vendor, the ex-officio vendor shall check and verify that the licensed vendor has sold to the public all of the stamped paper previously sold to him and particulars thereof entered into the concerned register.”</p>
<p>29-A. From the stock so made over, to his charge and kept by him under single lock. The <i>ex-officio</i> vendor shall sell stamps to the public and to licensed vendors for cash, Challans, separately for each class. I.e non-judicial Court-fee, Postage stamps and Match Excise Banderols, will be presented by the purchaser to the Accountant, who shall check the correctness of the particulars thereof especially the discount claimed and the name of the purchaser. The challans after check by the Accountant should be presented with cash to the <i>ex-officio</i> vendor for the issue of stamps.</p> <p>Post Office requisitions for postage stamps and other stamps required to be sold through post offices shall be presented first to the Accountant who shall checked and note them in the</p>	<p>29-A. From the stock so made over, to his charge and kept by him under single lock. The <i>ex-officio</i> vendor shall sell stamps to the public and to licensed vendors for cash, Challans, separately for each class. I.e non-judicial Court-fee, Postage stamps and Match Excise Banderols, will be presented by the purchaser to the Accountant, who shall check the correctness of the particulars thereof especially the discount claimed and the name of the purchaser. The challans after check by the Accountant should be presented with cash to the <i>ex-officio</i> vendor for the issue of stamps.</p> <p>Post Office requisitions for postage stamps and other stamps required to be sold through post offices shall be presented first to the Accountant who shall checked and note them in</p>

<p>register of challans and then to the <i>ex-officio</i> vendor alongwith cash for the issue of stamps.</p> <p>The <i>ex-officio</i> vendor shall enter the sales chronologically in his single lock register which shall be maintained in such language as the Provincial Government are local and the daily sales both quantities and values being entered therein and the balance in hand of different denominations of stamps being struck at the end of each day. The register should be inspected and the Correctness of entries made therein checked every day by the officer-in-charge of the depot who should initial the register in token of having exercised check.</p> <p>The <i>ex-officio</i> vendor shall return the challans and post office requisitions to the Accountant daily who shall prepare the daily accounts on their bases. Through the, Accountant will watch the return of all challans and requisitions and bring any omission or discrepancy to the notice of the officer-in-charge of the depot.</p>	<p>the register of challans and then to the <i>ex-officio</i> vendor alongwith cash for the issue of stamps.</p> <p>The <i>ex-officio</i> vendor shall enter the sales chronologically in his single lock register which shall be maintained in such language as the Provincial Government are local and the daily sales both quantities and values being entered therein and the balance in hand of different denominations of stamps being struck “and, in the case of stamped papers, shall enter therein the register, the serial number and date of printing of each stamped paper” at the end of each day. The register should be inspected and the Correctness of entries made therein checked every day by the officer-in-charge of the depot who should initial the register in token of having exercised check.</p> <p>The <i>ex-officio</i> vendor shall return the challans and post office requisitions to the Accountant daily who shall prepare the daily accounts on their bases. Through the, Accountant will watch the return of all challans and requisitions and bring any omission or discrepancy to the notice of the officer-in-charge of the depot.</p>
	<p>“22A. (1) Where a stamped paper is sold to the public under rule 29, 29A or 33, the <i>ex-officio</i> vendor shall enter into the concerned register the serial number and date of printing of the stamped paper along with other particulars prescribed under these rules.</p> <p>(2) Where a stamped paper is sold to the public by a licensed vendor, he shall enter into the concerned register the serial number and date of printing of the stamped paper</p>

	along with other particulars prescribed under these rules.”
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Commission’s deliberation on 10.06.2006

The working paper was considered by the Commission in its meeting held on 10.6.2006 and the following are the deliberations:-

The Secretary explained to the Commission the observations of the Chief Justice Lahore High Court that one of the cause in rise of litigation is the false agreements made in the back date on the Stamp Papers issued with in the back date by the stamp venders. The Lahore High Court therefore, proposed that the rules under the Stamp Act 1899 may be amended to provide for printing of each stamp paper with a serial number and date of printing on top of it to check the making of antedated and forged deeds and element of fraud therein

While considering the proposal, he Chairman stated that the stamp venders make false entries in their sale register of stamp papers and sell the stamp papers in the back date in connivance with the party which fraudulently prepares on it antedated or forged deed in regard to immovable property i.e. agreement to sell, rent deeds, gifts and other documents creating title or interest in such property. The Chief Justice High Court of Sindh informed the Commission that in Karachi the stamp papers are issued to the attornies instead of parties which if not used by them are sold for using for the above purpose. The Chairman remarked that it is very important suggestion to eliminate the chances of forgery and fraud in making of deeds with regard to immovable property. The Chairman added that the venders should enter in the register of sale of stamp papers, the serial number and date of printing and the issue date and also certify date of purchase of such paper and number of challan of payment against which it is purchased on the back of the stamp paper.

After deliberations, the Commission approved the proposal of the Chief Justice Lahore High Court to amend Rules 2, 8, 26, 28 29 and 29-A and nsertion fo a new rule 33A in the Supply and Distribution of Stamp Rules 1954 providing for printing of stamp papers with serial numbers with date of printing and the ex-officio vender / licenced vender shall enter into their concerned registers of sale the serial numbers and date of printing of the stamp papers issued to the licenced vender or sold to the public and the ex-officio vender may not issue further stock to the stamp vender unless the previous stock is sold out.