

Amendment of 2005 to the Bombay Stamp Act, 1958 and its Impact

The following article has been inserted replacing the earlier Art 5 (h) by the Amendment Act of 2005 :

"(h) (A) if relating to,-

(i)	any advertisement on mass media made for promotion of product; or programme or event with an intention to make profits or business out of it	Two rupees and fifty paise for every rupees 1000 or part thereof on the amount agreed on the contract
(ii)	conferring exclusive rights of telecasting, broadcasting or exhibition of an event or a film.	Two rupees and fifty paise for every rupees 1000 or part thereof on the amount agreed on the contract
(iii)	specific performance by any person or a group of persons where the value of contract exceeds rupees 1,00,000.	Two rupees and fifty paise for every rupees 1000 or part thereof on the amount agreed on the contract
(iv)	creation of any obligation, right or interest and having monetary value, but not covered under this article.	Two rupees and fifty paise for every rupees 1000 or part thereof on the amount agreed on the contract
(v)	assignment of copyright under the Copyright Act, 1957	Two rupees and fifty paise for every rupees 1000 or part thereof on the amount agreed on the contract of the value signed for such assignment.
B. Not otherwise provided for		Rs. 100

After perusing the abovesaid amendment, we observe the following :

1. Art 5(h)(A)(i) says that contracts of advertisement made for promotion of any product or for an event or programme shall attract stamp duty from 2005 onwards but the object of the contract must be for profit and not charity to attract the said stamp duty.
2. Art 5(h)(A)(ii) says that any kind of assignment of any copyright related to film or an event shall attract stamp duty.

3. Art 5(h)(A)(iii) has made the scope of the duty extremely vast since it includes any kind of specific performance by any individual/person or group of persons where the value exceeds Rs 100000(Rs. one lakh). It shall attract under its ambit contracts like actor's/ performer's/ singer's or alike, performances or consulting engineering contracts or alike. It can not be limited and extends to each and every contract where specific performance of any kind is sought for.
4. Art 5(h)(A)(iv) also is extensively wide in its ambit and scope shall attract each and every contract, which is not specifically provided for under Art 5, whereunder any kind of obligation, right or interest is created for consideration shall not attract contracts which are done without consideration.
5. Art 5(h)(A)(v) attracts under its ambit each and all the copyright assignments done by an individual between the parties.

This presupposes that each and every contract of assignment of copyright be it for performance or alike, and advertisement and performance having value of Rs 1000000 or more, and contracts relating to creation of any right/interest /obligation under these circumstances shall attract stamp duty from the date of the amendment ie.07-05-2005 and Reasonable Advertising Pvt. Ltd. Is bound to pay the same.