journals.unizik.edu.ng/jcpl/index ISSN: 2736-0342
NNAMDI AZIKIWE UNIVERSITY, AWKA
JOURNAL OF COMMERCIAL AND PROPERTY LAW Vol. 12(3), July, 2025

THE QUAGMIRE OF STAMP DUTIES COLLECTION IN NIGERIA VIS-À-VIS OTHER JURISDICTIONS: A COMPARATIVE VIEW

Ngozi Asomadu*

Abstract
Stamp duties in Nigeria have consistently generated over ₦1trillion in revenue annually, making it one of the government's most reliable tax streams. However, recently there has been a logger head and or quagmire amongst the two government parastatals that is the NIPOST and FIRS on the appropriate authority designated for collection of stamp duties. The law has not helped matter as it was unclear on the exact body the function is conferred on. This work is aimed at examining the legality or otherwise of Nigerian postal authority collecting postal stamp and the powers of banking industry in Nigeria collecting stamp duty vis-à-vis its remit. The writer examined whether such situation is obtainable in UK, India, Ghana and South Africa. The writer also examined whether receipt is chargeable to stamp duty and its limitation if any and however made necessary recommendations.

Keywords: Stamp duties collection, NIPOST, FIRS

1. Introduction

There has been logger head as to the appropriate body to collect stamp duty. This has generated heated argument and controversy among the two bosses representing NIPOST and FIRS. The basic rationale behind this is as a result of ambiguity or lack of clarity in our law. In an attempt to resolve this issue, the FIRS issued a Public Notice on 19th July, 2020, providing clarification on the application and administration of Stamp Duties in Nigeria. The Public Notice also urged the public on the necessity to comply with the Stamp Duties Act by paying the appropriate duties on their instruments and transactions at the appropriate time to avoid penalty or being sanctioned. However, it appears the notice published by the FIRS could not cure the anomaly. It was the silence of the Act[1] on the appropriate body to administer the stamp duties that necessitated NIPOST dragging the stamp duties collection with FIRS. It shall then be considered whether the amendment in the Act through Finance Act was able to put an end to this controversy.

2. Postage Stamp and Stamp Duties in Nigeria Vice – Versa Receipt

Let us start with receipt. There has been misconception on whether the bank teller and electronic deposit qualify as receipts exempted from stamp duties charges. Section 90 of the Stamp Duties Act exempted some documents or instruments from being chargeable to tax and one of such instruments is receipt. However, not all receipt is exempted by the Act. By virtue of section 3 and Schedule 4 of the Stamp Duties Act, it is evident that the provision exempted receipt given for money deposited in any bank or with any banker, money to be accounted for or expressed to be received of the person to whom the same is to be accounted for, or for money withdrawn from a savings bank. Section 11 (1), (2) and (3) of the Stamp Duties Act 2004(as amended 2019) provides that All receipts, documents, and registrable instruments upon which duty is liable to be imposed shall be denoted using an adhesive postage stamp and the affixed adhesive postage stamp. The receipt issued by the FIRS whether in the form of a paper receipt or an electronic receipt which is printed out remains a receipt liable to be denoted with an adhesive postage stamp minted by NIPOST. Under the extant laws of Nigeria to wit the NIPOST Act, the Stamp Duties Act and the Finance Act, the adhesive postage stamp is not only used for postage it is the only stamp with which denoting all receipts, documents and registrable instruments to be done in Nigeria[2].

***Ngozi Asomadu,** PhD, Lecturer, Obafemi Awolowo University, Ile – Ife. Email ngozi.asomadu@yahoo.com. Phone number: 08064554688

[1] Stamp Duties Act

[2] R Sobowale, 'Stamp Duties: NIPOST, FIRS in tweet war' <https// www.Vanguardngr.com.> accessed 30 April 2025.

However, section 52 of the Finance Act 2019 expanded the scope of Stamp Duties Act to capture electronic transactions. Section 54 of the said Finance Act amended section 89 of the Stamp Duties Act wherein it expressly introduced stamp duties on bank deposits and transfers. This has been replaced by an Electronics Money Transfer Levy (EMTL) now contained in a new section 89A of the Stamp Duties Act (amended by section 48 of the Finance Act, 2020). For clarity we shall reproduce some provisions of the law as contained in the Act.

Section 89 (1-2) of the Act[3] categorically states what is considered as receipt which will be chargeable as stamp duty in Nigeria. For the purpose of the Act, the expression 'Receipt' includes any note, memorandum, or writing whereby any money amounting to four naira or upwards, or any bill of exchange or promissory note for the money amounting to four naira or upwards , is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand, or any part of a debt or demand, of the amount of four naira or upwards, is acknowledged to have been settled, satisfied, or discharged, or which signifies or imports any such acknowledgment, and whether the same is or not signed with the name of any person.

In sub section 2 of the aforementioned Act, it further provides that the duty upon a receipt may be denoted by an adhesive stamp which is to be cancelled by whom the receipt is given before he delivers it out of his hands.

Section 54 of Finance Act[4] substitutes section 89 of the Stamp Duties Act to read as follows:

(1) For the purpose of this Act, the expression "receipt" includes any note, memorandum, writing or
electronic inscription whereby any money, or any bill of exchange or promissory note for money is acknowledged or expressed to have been received or deposited or paid, or whereby any debt or demand is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgment and whether the same is or is not signed with the name of any person.
(2) The duty upon a receipt may be denoted by an adhesive stamp which is to be cancelled by the person by whom the receipt is given before he delivers it out of his hands or by a digital tag with electronic stamp or any acknowledgment of duty charged on an electronic transaction.
(3) Notwithstanding the provisions of the Stamp Duties Act, electronic receipt or electronic transfer for money deposited in any bank or with any banker, on any type of account, to be accounted for and expressed to be received of the person to whom the same is to be accounted for of amounts from ₦10,000.00 upwards shall attracts a singular and one-off duty of the sum of ₦50.00:
Provided that money paid into one's own account or transferred electronically between accounts of the same owner by the owner within the same bank shall not be chargeable to duty.
(4) Any duty paid under subsection (1) and (3) shall be applied as a credit against any duty applicable on an instrument denoted with adhesive stamp.

On the part of stamp duty, it is listed as item 58 under the Exclusive Legislative List in the 2nd Schedule part 1 of the Constitution[5] which implies that only the Federal Government is competent to legislate on the subject matter. This makes it solely the duty of Federal Inland Revenue Service being the only competent authority to collect and account for such taxes on their behalf even though this is debatable. However, by virtue of paragraph 7 item B of Part II of the Second Schedule to the Constitution[6] and

[3] Ibid
[4] As Amended 2019 see also Section 48 (1) and (2) of Finance Act 2020 similar provisions were made. It provides thus: after section 89 of the Stamp Duties Act, a new section 89A (1) there is imposed a levy, to be referred to as the Electronic Money Transfer Levy, on electronic receipts or electronics transfer for money deposited in any deposit money bank or financial institution, on any type of account, to be accounted for and expressed to be received by the person to whom the transfer or deposit is made. (2) The levy shall be imposed as a singular and one off charge of ₦50 on electronic receipts or electronic transfers of money in the sum of ₦10,000 or more.
[5] 1999 Constitution as amended
[6] ibid

section 4 (2) of the Stamp Duties Act[7], the state government is empowered to collect stamp duties in respect of transactions between individuals residing in their respective states. This confers only power of collection on state and not power of imposition. The collection will be made to the State Board of Internal Revenue in the case of State and Federal Inland Service in the case of Federal[8]. The power of FIRS on behalf of Federal Government will be activated when it involves stamping of instruments involving registered trustee, individuals within FCT, and registered corporate bodies.

Section 48 (4) of the Act[9] provides for the formular for mode of distribution of revenue accrued there from. It provides that while 15% goes to the federal government and FCT, 85% goes to the state government. Dutiable instruments can be stamped by either employing a die impressed on an instrument, affixing printed adhesive stamps issued by the Nigerian Postal Service; direct electronic printing or impression on the instrument; electronic tagging; issuance of stamp duties certificate, or any other form of acknowledgment of payment of stamp duties adopted by the FIRS.

3. The Legality or Otherwise of Bank's Collection and Withholding of Stamp Duties for the Federal Government

The Stamp Duties Act did not make provision on delegation of power and this has defeated the trite principle of law. This being the case it became pertinent to state that the delegation cannot be delegated. In the instant case it will be statutory wrong for the bank to collect stamp duty on behalf of FIRS. The Federal High Court (FHC Asaba Division) on Wednesday 9th December, 2020 held in the case of *Mr Rupert Irikefe* (trading as Abimbola Energy ventures) v *CBN and Ors*[10] that collection of stamp duties on teller deposits or electronic transfers of monies prior to the amendment of the Stamp Duty Act, Cap.S8 Laws of Federation of Nigeria, 2004 (as amended) was arbitrary, unlawful, illegal and contemptuous of the lawful orders of superior courts of competent jurisdiction.[11] The FHC awarded exemplary damages against the CBN and Bank to set an example to tax and regulatory authorities that willfully flout decisions of the courts of law.

Facts of the Case

The plaintiff operates a current account with the bank and observed several deductions of ₦50 and ₦100 from his current account from 2016 – 2018. In 2018, the plaintiff approached the Bank's offices in Asaba and Warri to inquire the basis of the stamp duties charged on his current account. The Bank referred him to the FHC's decision the case between *Kasmal International Services Ltd vs Standard Chartered Bank Nig Ltd & 22 Ors*[12], which the Bank claimed supported the deduction of the said amounts.

The plaintiff informed the Bank of the subsisting decisions of the Court of Appeal in the same case of *Kasmal International Services Ltd*[13]and the FHC's decision in the case of *Retail Supermarkets Nigeria Ltd v Citibank Nigeria Ltd and the CBN*[14], wherein the courts held that there was no express provision in the Stamp Duties Act or any other law imposing any obligation on the Bank to collect and remit ₦50 as stamp duties on teller deposits or electronic transfers from ₦1,000 upwards. Consequently, the plaintiff requested the Bank to refrain from deducting stamp duties from his account and to refund the amounts deducted thus far. However, the Bank refused to refund the deducted amounts and continued to charge stamp duties on the plaintiff's account.

The plaintiff dissatisfied with the treatment of the Bank, filed an action at FHC wherein the court held that by disobeying the subsisting decisions of the Court of Appeal and Federal High Court regarding the

[7] Cap S8 LFN 2004
[8] W Chukwuma,'Enthroning A New Legal Framework for Stamp Duties Act in Nigeria' (2023) 8 (1) *COOU Law Journal,* 85.
[9] Finance Act 2020
[10] FHC/ASB/CS/139/2019
[11] KPMG, 'Tax Dispute Resolution Survey' <https://www.assets.kpmg.com/content/dam/kpmg/ng/pdf/tax/tax-dispute-resolution-survey-2021.pdf> accessed 11 April 2025.
[12] FHC/L/CS/1462/2013
[13] CA/437A/ 2014 Unreported
[14] Unreported FHC/1462/2013

charge of stamp duties, the CBN acted in bad faith by its action and therefore cannot be shielded by Section 52 (1) of the CBN Act and Section 53 (1) of the BOFIA respectively.

Commentaries

The FHC's decision reaffirms its earlier decision and that of Court of Appeal on the illegality of stamp duties deduction on teller deposits or electronics transfers of monies by banks prior to the amendment of the Stamp Duties Act by the Finance Act 2019. It is important to state that the FHCs decision will only apply to periods before the amendments in the Finance Act, 2019 became operative. Therefore, from 13th January 2020 to the date of commencement of Finance Act 2020, all electronics receipts/ transfers from ₦10,000 for all types of accounts in Nigeria were liable to stamp duty ₦50, in line with new section 89 (3) of the Stamp Duties Act introduced by the Finance Act 2019. Further, the judgment reiterates several court decisions that circulars or guidelines issued by regulators and agencies of government do not constitute a delegated or subsidiary legislation and have no enforceable legal basis. Although regulators and government agencies may issue guidelines and circulars, such administrative documents cannot be used as instruments to amend or substitute the provisions of extant laws[15].

However, in order to ensure transparency in accountability, it will be recommended that the FIRS / State Board of Internal Revenue authority as the case may be opens a liaison office in banks and other parastatals wherein the stamp duty payment shall be directly made to the officials.

4. Is NIPOST the Appropriate Authority Empowered to Collect Postage Stamp Revenue on Behalf of the Federal Government in Nigeria?

This has been an issue that needs proper attention and examination as it has raised great dust. There has been confrontation between FIRS boss and NIPOST CEO over the appropriate body conferred with powers of stamp duties administration and collection in Nigeria. The parties fail to recognize the position of law in Section 2 FIRSEA[16] wherein power to collect stamp duty is conferred on FIRS. This controversy has been a subject matter of disputes before the courts and has in some cases, received judicial pronouncements. The controversy was further deepened by the directives issued by the Central Bank of Nigeria (CBN) mandating Deposit Money Banks and other Financial Institutions to charge stamp duty of ₦50 in respect of electronic transfer and teller deposit from ₦1,000 and above and remit same to a designated account[17].

In determining the agency charged with the responsibility to collect stamp duties on receipt, electronics transfers and teller deposits, it is important to consider the relevant provisions of the Nigerian Postal Service Act CAP N127, LFN 2004, Stamp Duties Act CAP S8 LFN (as Amended by Finance Act 2019 and 2020) and the Federal Inland Revenue Service (Establishment) Act (as amended by the Finance Act 2020).

In the decided case of *Kasmal International Services Ltd & Ors V Access Bank Ltd & Ors,*[18] The NIPOST through its agent the plaintiff in this suit instituted an action seeking the enforcement of section 89 of Stamp Duties Act in respect of the obligation of bank to affix postal stamp of ₦50 on receipts, electronic transfer and/or teller deposit of monies from ₦1000 upward. *Per* ***Justice C. J Aneke*** on 17th February 2014 delivered his judgment agreeing with the NIPOST power to enforce collection of ₦50 on receipts, electronic transfer or teller deposit of money from ₦1000 upward from banks on behalf of federal government in line with Section 5b and 89 Stamp Duties Act. The decision in this case was appealed against in the case of *Standard Chartered Bank Nigeria Limited & Ors V Kasmal International Services Ltd & Ors*[19]the issue of power of NIPOST to enforce and collect Stamp Duties was determined

[15] KPMG,'FHC Upholds the Illegality of Stamp Duty Deductions Prior to Amendment of the SDA' https// www.fhc-upholds-the -illegality-of-stamp-duty.pdf> accessed 9 March 2025.
[16] Federal Inland Revenue Service (Establishment) Act 2007 NO. 13 and item 6 in the 5th Schedules of the same Act.
[17] Aelex, 'NIPOST / FIRS Dispute over Stamp Duty Collection: An end in sight' https//www.aelex.com> accessed 12 March 2025.
[18]FHC/L/C/1462/2013, Zhihwi Dauda, *An Overview of the Stamp Duties Administration in Nigeria with the 2019 Amendment* <https:// www.thenigerialawyer.com> accessed 12 March 2025.
[19]CA/ L/437A/2014(unreported).

and **per *Ejembi, Adamu, Moore and Nonyerem JCA*** unanimously held that NIPOST or its agent lacks the fundamental statutory right or power to manage and collect Stamp Duties. To this end, there has not been yet a clear, definite and conclusive decision on this issue and this has caused much debates, arguments and controversies amongst the two organs of federal government.

Recently, the Minister of Communications and Digital Economy, Isa Patami made a latest pronouncement/decision concerning NIPOST reclaiming right of collection of stamp duties from FIRS public in Abuja during the inauguration of Nigeria's 60th Independence Anniversary commemorative Postage stamps. It was declared that the Nigeria Postal Service was the agency authorized to produce and collect stamp duties across the country. This declaration made NIPOST to reclaim the right to collect stamp duties from Federal Inland Revenue Service. The minister said this was why he championed and established the recognition of NIPOST as the legal producer of stamp duties through the Finance Act of 2020.[20] This move was supported by Economic Professor of Olabisi Onabanjo University Ogun State[21]. He stated that stamp duty is technically not the work of NIPOST but FIRS has a lot of other assignment on its hands. He said that the move will streamline the activities of the federal government. African Tax and Legal Services Leader, PWC Nigeria, Taiwo Oyedele on his part regarded the pronouncement as a step backwards. This commentary and or decision of Minister of Communications and Digital Economy can only stand if it reflects in the NIPOST Act otherwise it not be treated with seriousness.

5. The Determination of NIPOST Act and FIRSEA on Stamp Duties Collection by the Appropriate Authority

It is conventional in law that in most cases a body may be conferred with powers to impose and another with powers to collect. Where the law regulating a body confers a power to impose charge on tax (stamp duties) but becomes silent on its collection, does it in the same vein confer power of collection on the said body? In response to this, may we consider the provisions of law in the NIPOST Act and that of FIRSEA.

In examining the power of postal service in exercise of its functions, the Postal Services by virtue of section 5 (c) &(d) of the Act[22] provides thus (c) "to prescribe the amount of postage stamps and the manner in which it is to be paid. (d) to provide postage stamps and other stamped papers, cards, and envelopes and to provide such other evidence of payment of postage and fees as may be necessary or desirable".

On the other hand, FIRSEA[23] section 2 provides thus "the object of the service shall be to control and administer the different taxes and laws specified in the First Schedule or other laws made or to be made from time to time, by the National Assembly or other regulations made thereunder by the Government of the Federation and to account for all taxes collected.

Section 25 (2) of the Act provides that the service (FIRS) may with the approval of the Minister by instrument published in the Federal Gazette, appoint any government agency to collect revenue pursuant to the power of the Service under subsection (1) of this section. Again, section 68 (2) provides that if the provisions of any other law, including the enactments in the First Schedule are inconsistent with the provisions of this Act, the provisions of this Act shall prevail and the provisions of that other law shall to the extent of inconsistency be void.

The implication of the provisions of the Law stated therein as per FIRSEA is that FIRS has the exclusive powers to collect and administer tax in Nigeria. If this is the case, it becomes clear that no other body shall partly collect tax without such authority being given to it by the FIRS authority. Section 25 of the Act aforementioned, clearly states that even if FIRS should make such delegation it has to be

[20] O Nnodim, Abuja and Temiloluwa, 'NIPOST reclaim right as FG strips FIRS of Stamp Duty Collection' https:www.punchng.com>accessed 13 March 2025.
[21] Sheriffdeen Tella
[22] Nigeria Postal Service Act 2004 Cap N127. This provision was still captured in the Amendment Act of 2019 as nothing changed.
[23] Federal Inland Revenue Service (Establishment) Act 2007 Cap F36.

government agency. In other words, FIRS cannot in any way appoint any private agency and or commercial banks not owned by government to make such collection for her.

Having read through the provisions of section 5 of the NIPOST Act, it became crystal clearer that the Act only confers it with powers to prescribe amount and produce postage stamp. The silence of the Act on power of collection will imply its concession to the provisions of FIRSEA. If this is the case the writer will be left with no option than to concede to the fact that the FIRS is the appropriate authority to administer and collect stamp duties especially when the Stamp Duties Act fails to make/peg the collection of stamps inclusive of postal, adhesive stamp and others on NIPOSTAL Service or Federal Inland Revenue Service rather it pegged it on the federal government which NIPOST and FIRS are functioning under[24]. The provisions of law as per section 4 of the Stamp Duties Act has however with due respect created a big problem. Instead of doing us good, it has caused harm which has generated into great controversy. This is as a result of ambiguity and uncertainty contained therein.

For more clarity on the position of law as aforementioned, the Finance Act 2019 which became operative in 13th January, 2020 amended section 4 (1) of the Stamp Duties Act. With the amendment of the Act, the controversy as to who administers or collects stamp duty tends to be given a decent burial. Section 4 of the Stamp Duties Act is amended by section 53(a) Finance Act 2019, in subsection (1) of the said section 53; it substituted the words, 'the Federal Government", in line1 with the words, "the Federal Inland Revenue Service"

On the strength of this development, the FIRS boss issued out a public notice on them being the sole competent authority saddled with powers of collection and receipt of remittance of Stamp Duties deducted on instruments between corporate entities, individuals, body and group of individuals. This public notice resurrected the already buried issue on the appropriate body to collect stamp duty, postal stamp inclusive. The NIPOST through its agent again instituted action at the Federal High Court on the 30th day of June 2020 via originating summons in Suit No: FHC/ABJ/CS/701/2020 Between *First October General Merchant Nigeria Ltd & Anor V FIRS* countering the public notice of the FIRS as being the sole authority for stamp duty collection. In this suit, the Claimant claimed that by virtue of section 5 (d) of the NIPOST Act[25] and section 2 of the Stamp Duties Act[26], NIPOST is the sole statutory agency in Nigeria that is empowered to mint, produce, distribute and regulate the adhesive postages stamps in Nigeria on the adhesive paper or electronic form. Hence, they are seeking for an order of interlocutory injunction restraining FIRS from carrying out any act in minting, production, distribution, selling, and retailing the use of adhesive stamps and or electronics stamps to be produced by the FIRS to denote receipts, documents and registrable instruments in Nigeria.

There will be no doubt that with the amendment as per section 53 of the Finance Act, all the bartering and power tussle between the two federal parastatals shall be laid to rest. It is not in issue that the NIPOST is conferred with powers to prescribe amount and to produce postage stamp rather we are concerned on the appropriate body to administer, collect and control same. This having been taken care of by the new Act, we therefore become optimistic that the court will consider this while making its ruling or delivering judgment on the subject matter even though one is not allowed to pre-empt the court.

6. Comparison of Designated Authority for Stamp Duties Collection in Nigeria and some Jurisdictions Outside Nigeria

Stamp Duties in UK:

Generally, stamp duty is paid to His Majesty's Revenue and Customs. HMRC is the tax authority of the UK government. The agency is responsible for collecting taxes, paying child benefits, regulating tax and customs laws and enforcing minimum wage by employers. HMRC was formed in 2005 following the merger of the Inland Revenue and the Board of Customs and Excise, the agencies which formerly handled internal taxes and customs collection. HMRC collects all direct and indirect taxes in the U.K.,

[24] Section 4 of Stamp Duties Act Cap S8.
[25] NIPOST Act as amended 2019.
[26] Amended by Section 52 of the Finance Act 2019 and also Section 11 (1) (2) & (3) and 89 of the Stamp Duties Acts.

including income tax, corporation tax, capital gain tax, inheritance tax, value added tax, excise duties, stamp duty land stamp, air passenger duty and climate change levy. HMRC was established in 2005 under the Commissioners for Revenue and Customs Act. It is a non-ministerial department. They report directly to the parliament through the treasury, under the leadership of the Chancellor of the Exchequer. The HMRC represents the merger of Customs and Excise and Inland Revenue, combining direct and indirect revenue departments[27].

Having known that HMRC is in charge of tax collection in U.K, does that extend and or include postage stamp? We shall find out in the course of discuss.

Stamp Duties Management Act[28]clearly made provisions on power to grant licenses to deal in stamps. The section 3 of the Act confers the commissioners with power to grant license to any person to deal in stamps at any place named in the license and such person whom license is granted will have to give security in the sum of 100 pounds in manner prescribed by the commissioner. The Act does not permit any one whether licensed or not to hawk stamp. Any one guilty of it shall be liable to payment of fine of 20 pounds or imprisoned for a term not exceeding 2 months.[29] However, where any person not duly authorized sells or distributes stamp he shall for every such offence incur a fine of 20 pounds. The Act in section 7 went further to provide that it shall be lawful for any person in service or employment of the post office without any license to sell postage stamps at any place and in any manner.

Stamp Duty Land Tax (SDLT): While the 1891 Act is the foundation, stamp duty on land transactions is now primarily governed by SDLT, which is largely digitized. Stamp duty is now largely limited to purchase of land and buildings, transfer of shares and securities, issuance of bearers instruments and some partnership transactions.

British postage stamp is issued and collected by the Royal Mail Postal Service of the United Kingdom, normally referred to as philatelic circles of Great Britain. UK being the originator of postage stamps is the only country that does not need to specify the country on its stamps.[30] It is just of recent precisely 1st day of August, 2023 that it became compulsory that every stamp must have a barcode otherwise it will not be valid.

Bringing Nigeria into picture, one would say that there is no much difference. The HRMC which is tax authority in UK is more like FIRS whereas the Royal Mail Postal Service is more like NIPOST authority. The only thing Nigeria need to do is to streamline the law to be clear on the designated or appropriate authority for stamp collection.

Stamp Duty Act in Ghana:
Stamp duty is governed by Stamp Duty Act, 2005[31]. Stamp duty[32] is paid, at rates typically ranging between 0.25% to 1% and GHS 18 to GHS 896.30, depending on the type of transaction and the instrument. Fixed amounts ranges between GHC0.05 and GHC25. Amount of stamp duty payable on the instrument is based on the rates provided by the Act. A stamp duty of 1% applies on the initial stated capital and any subsequent increase in the stated capital. The stamp duty is not a tax on transactions but on documents brought into being for the purposes of recording transactions. It is therefore a tax on documents or specific instruments that have legal effect, such as the following:

i. Insurance policies
ii. Awards of cost in matters of dispute
iii. Conveyances or transfers on the sale of any property
iv. Appointment letters of new trustees

[27] The Investopedia Team, 'HM Revenue and Customs: Tax Authority of the United Kingdom' <https//www.investopedia.com> accessed 2 April 2024.
[28] 1891
[29] Section 6 of the Act.
[30] Wikipedia, 'Postage stamps and postal history of Great Britian' https:www.wikipedia.org.
[31] Act 689, also Stamp Duties Amendment Act 2023 which basically contained stamp duties exempted from charges.
[32] PWC, Ghana Corporate – other taxes. https: taxsummaries.pwc.com> dated 8th March, 2024>accessed on 1st April, 2024.

v. Natural resources leases or licenses (e.g mining, timber)
vi. Agreement or memoranda of agreement
vii. Bills of exchange (eg issue of cheques)
viii. Bills of lading

Section 4 of the Stamp Duty Act, 2005 (Act 689), provides for impressed and adhesive stamp. Just in line with what is obtainable in Nigeria as per Nigeria Postal Service, the appropriate authority designated with powers to issue postage stamp is Ghana Postal Services Corporation usually referred to as Ghana Post. This was established by the Ghana Postal Service Corporation Act[33]. Section 25 of the Act provides that Ghana post has the sole right to issue postage stamp and that it shall be used in respect of postal articles and for the prepayment of postage.

Stamp Duties in South Africa:
In order to reduce the administrative burden on taxpayers and to simplify the tax system, the South African Revenue Service announced the abolition of Stamp Duty Act[34] with the effect from midnight on 31st of March, 2009[35]. The scrapping of the Act follows the whittling down of the scope of stamp duties over the past few years, until the tax only needed to be paid on property leases of over five years. The scrapping is however not retrospective as taxpayer remains liable for stamp duties due up to end of March. On the other hand, the Postal Services Act of 1998 provides for South African Post Office. It mandated her to provide postal services in accordance with the aforementioned Act.

7. Evaluation: Analysis and Findings in the Selected Jurisdictions Compared with the Nigerian Situation

The writer made some observations and findings while comparing the mentioned jurisdictions with Nigeria. The writer observed that Stamp duty is not only obtainable in Nigeria. It is applicable in other countries like UK, Ghana and South Africa. However, the writer further observed that in order to lessen the burden of stamp administration and to simplify tax system, stamp duties were scrapped in South Africa. Again, the writer's findings revealed that stamp duties and postage stamp are not collected by the same body in UK and Ghana. The Revenue authority is placed in charge of tax collection and administration while the postal service company takes care of postage stamp. This situation is not different from what is obtainable in Nigeria before the amendment of Stamp Duties Act through Finance Act; that is the NIPOST has been in charge of postage stamp collection while the Inland Revenue Service takes care of stamp duties. However, with the amendment, the NIPOST will only produce and prescribe the amount to be collected for the stamp.

8. Conclusion

It is not news that NIPOST and FIRS have been in logger head as to the appropriate authority to collect postage stamp. The Federal Inland Revenue Establishment Act and Finance Act are federal enactment so also is NIPOST Act. The battle between FIRS and NIPOST authority has been settled through the intervention of Finance Act. It is therefore advised that since the battle has been given a decent burial through the intervention of the Finance Act, the NIPOST should heed to the law by not collecting the said tax. However, it is the writer's view that the NIPOST authority be made a watch dog over the collections made by the FIRS since they printed the postage stamp and fixed the appropriate amount to be collected so in the event FIRS remits the revenue collected, the NIPOST authority will be able to ascertain if the account rendered is appropriate or not. Again, just as it applied in UK, Ghana and Indian concerning admissibility of non-stamp document/ instrument and stamp administration generally, the Nigerian government should endeavor to make a clear law to eliminate one parastatal intruding into the duty of another.

[33] 1995 (Act 505)
[34] 77 of 1968.
[35] South African Government News Agency,' SARC announces abolition of stamp duty' <https//www.sanews.gov.za>accessed 4 April 2024.

9. Recommendations:

1. If the FIRS by virtue of Sections 2, 25 and 68 of FIRSEA and First Schedule is the appropriate body for administering and collection of tax in Nigeria, then there is also pressing need that its section 2 be amended to accommodate the CEO (Chief Executive Officer) of NIPOST Service as a Board member. The idea is to ensure clarity, transparency, accountability, checks and balances. To this, NIPOST Service being conferred with powers to provide postage stamps and prescribe the amount to be paid, it will be a welcomed development that she is included as a member of the Board so as to checkmate FIRS authority and ensure she appropriately accounts for revenue generated there from.
2. It is important that the Stamp Duties Act clearly makes provision on mandatory compliance to the stamp duty charge and penalty for failure to comply with same. The idea is to eliminate excess or onerous charge/charges to that effect. Some parastatals, banks in particular place charges beyond what the Act stipulates thereby compel taxpayers to pay beyond the stipulated amount. This has to be checkmated in order to ensure that companies licensed to collect stamp duties on behalf of the FIRS do not use the medium to extort money from the people.
3. There is need for Nigerian government to emulate other jurisdictions by clearly making provisions that the postage stamp be collected by NIPOST.