

IRS/EC/PT/GEN/1274/87

Ondo State Internal Revenue Service,
Alagbaka,
Akure.

15th October, 2020.

CIRCULAR LETTER TO:

The Chief of Staff to Mr. Governor,
The Secretary to the State Government,
Office of the Head of Service,
State Commissioners,
Special Advisers,
Chairmen of Commissions/Boards/Agencies,
Vice Chancellors/ Rectors/ Provosts,
Permanent Secretaries/Tutors-General/ Directors-General,
The Clerk, Ondo State House of Assembly,
The Chief Registrar,
The Accountant-General,
The State Auditor-General,
The Auditor-General for Local Governments,
The State Statistician-General,
General Managers/Heads of Non-Ministerial Departments.

FULL IMPLEMENTATION AND ENFORCEMENT OF THE STAMP DUTIES ACT

I wish to draw your attention to the provisions of the Stamp Duties Act, CAP S8, LFN 2004 (as amended). Under the Act, Stamp Duties is payable on any instruments/documents/agreements executed in Nigeria. Such instruments include Agreement, Contract, Memorandum of Understanding (MOU), Certificate of Occupancy and other stipulated in the Schedule to the Stamp Duty Act.

The Stamp Duties Act has undergone several amendments over the years up to the Finance Act of 2019. The most recent amendments recognized technology, e-commerce, online/ internet transactions and cross border transactions in line with global best practice and current economic realities.

In line with the provision of the Act, all contract award is subject to a charge of 1% of the contract sum as Stamp Duty. For contract awarded to Limited Liability Companies, the charged amount is to be remitted to the Federal Inland Revenue Service (FIRS) while the 1% charged on contract awarded to individual, enterprise and ventures are to be remitted to Ondo State Internal Revenue Service (ODIRS). This applies to all categories of contracts.

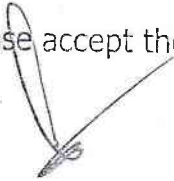
The 1% Stamp Duty charge is to be paid upfront in full by the contractor or deducted from source at the point of first payment. It is the responsibility of the contract awarding organization to ensure and enforce payment of the Stamp Duty.

The Federal Inland Revenue Service (FIRS) and the Office of The Attorney General of The Federation and Minister of Justice has already written to us about their intention to carry out audit of Stamp Duties due on contracts (and others) awarded to limited liability companies in Ondo State MDAs between 2016-2020.

Our team of auditors (ODIRS Staff) will also be joining the FIRS team to protect the interest of the State.

Pending the commencement of the audit exercise, we want to reiterate the need for full implementation and enforcement of the payment of Stamp Duty charge on contract awards henceforth.

Please accept the assurance of our highest esteem.



Tolu Adegbe

Executive Chairman

Ondo State Internal Revenue Service.