

**ETHIOPIA**

# **STAMP TAX PROCLAMATION NO. 334/1987**

A PROCLAMATION TO PROVIDE FOR THE PAYMENT OF STAMP DUTY

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## **SCHEDULE OF STAMP DUTY RATES**

### **SCHEDULE D. GOODS THAT SHALL BE LIABLE TO EXCISE TAX WHEN EITHER PRODUCED LOCALLY OR IMPORTED**

#### **1. Short title**

This proclamation may be cited as the "Stamp Duty Proclamation No. 334/1987."

#### **2. Definition**

In this Proclamation, unless the context otherwise requires:

(1) "award" means a decision in writing rendered by an arbitrator(s) on a reference made otherwise than by order of court in the course of suit by parties to a compromise, conciliation or arbitral submission or other similar matters;

(2) "bond" includes any instrument, whereby a person obliges himself to pay money to another, on condition that the obligation shall be void, if a specific act is performed or is not performed, as the case may be; or any instrument attested to by a witness and not payable to order or bearer, whereby a person obliges himself to pay money to another;

(3) "collective agreement and Contract of Employment" shall have the respective shall have the respective meanings given to them by Articles 2(6) and 2(11) of the Labor Proclamation No. 63/1975 (as amended);

(4) "contract of insurance" means an insurance policy by which one person, the insurer, in consideration of a premium engages to indemnify another, the insured, against loss, damages, loss of expected profit, or any liability arising from an unknown or contingent event; including a life policy and any policy insuring any person against accident or sickness or any other personal insurance;

(5) "instrument" means a written document by which any right or obligation is or purports to be created, recorded, transferred, extinguished or by which its scope is limited or extended;

(6) "Minister and Ministry" means the Minister and Ministry of Finance respectively;

(7) "negotiable instrument" means any document incorporating a right to an entitlement in such manner that it be not possible to enforce or transfer the right separately from the instrument and it includes such commercial instrument as bills of exchange, promissory notes, cheques and such other similar documents;

(8) "notarial Acts" means an act of attestation and certification performed by person(s) authorized to perform such acts;

(9) "person" means any natural person or organization irrespective of having juridical personality;

(10) "receipt" means any note, memorandum or writing whereby any money or any bill of exchange, cheque or promissory note is acknowledged to have been received, or whereby any other claim or part thereof is acknowledged to have been received or satisfied, or which signifies or imports any such acknowledgement, whether the same is or is not signed;

(11) "ticket" means a certificate or token evidencing payment of admission fee to places of entertainment;

(12) "to execute instrument" means to draw, issue, to carry into effect or to negotiate an instrument;

(13) "security deed" means any instrument whereby a borrower or guarantor gives to a lender a charge

upon a part or the whole of his property;

### **3. Instrument Chargeable with Stamp Duty**

The following instruments shall be chargeable with stamp duty:

- (1) memorandum and articles of association of any business organization, cooperative or association;
- (2) award;
- (3) bills of exchange and promissory notes;
- (4) cheques;
- (5) bonds;
- (6) contract and agreements and memoranda thereof;
- (7) security checks;
- (8) collective agreement;
- (9) contract of employment;
- (10) lease including sub-lease and transfer of similar rights;
- (11) notarial acts;
- (12) contract of insurance;
- (13) power of attorney;
- (14) protest of bill of exchange or promissory note;
- (15) share certificate;
- (16) receipt;
- (17) documents transferring title to property;
- (18) tickets;
- (19) petitions and applications to government, mass and private organizations and other similar institutions.

### **4. Rates of Stamp Duties**

(1) The application rates of stamp duty for each instrument mentioned under [Article 3](#) shall be those specified in [the Schedule](#) attached hereto and constituting an integral part hereof;

(2) The rate payable at any subsequent execution shall be those specified in the same schedule.

(3) Endorsement or dishonoring any form of negotiable instrument or introducing any amendment, alteration or any other change in any other instrument shall, for the purpose of this Proclamation, be considered as subsequent execution.

### **5. Mode of Valuation**

(1) Where the value of the right or obligation executed by means of an instrument can be determined, the rate chargeable on such instrument shall be the percentage of such value as specified in [the Schedule](#).

(2) Where the value or right of obligation executed by means of an instrument can be determined, the rate chargeable on such instrument shall be the percentage of such value as specified in the Schedule.

(3) Where an instrument is chargeable with stamp duty in respect of any amount expressed in any currency, other than Birr, such amount shall be computed on the basis of the prevailing rate of exchange.

(4) Where an instrument is chargeable with stamp duty on an ad-valorem basis in respect of any stock or of any marketable security, such amount shall be computed on the average value of the stock or security prevailing at the time when the instrument is made.

(5) Any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of duties payable in respect of each separate instrument.

(6)(a) The stamp duty payable on documents transferring title shall be calculated on the value of the property involved as agreed upon between the transferrer and the transferee, provided however, that such valuation is approved by the Inland Revenue Administration;

(b) Where the value agreed between the transferrer and transferee is not acceptable to the Inland Revenue Administration, the value of the property involved in the transfer of title shall, for the purpose of calculating the stamp duty, be determined by a special committee which will be appointed for such purposes by the Minister.

## **6. Liability**

(1) Unless otherwise provided herein the beneficiary of any instrument shall be liable to pay the stamp duty thereon.

(2) The person making (drawing) or issuing an instrument in Ethiopia shall be liable for the payment of stamp duty:

Provided, however when an instrument is made (drawn) or issued outside Ethiopia, the person who is first executing it in Ethiopia shall be liable for the payment of stamp duty.

(3) Unless otherwise specified in the lease agreement, the stamp duty in respect of the lease agreement shall be paid by the lessee.

(4) The insured shall be liable for the payment of stamp duty chargeable on the contract of insurance.

(5) The borrower shall be liable for the payment of stamp duty chargeable on security deeds.

(6) The transferee shall, unless otherwise agreed, be liable for the payment of stamp duty chargeable on documents transferring title to property.

(7) Parties to a contract or to an agreement are jointly and severally liable for the payment of stamp duty thereon.

(8) The liability to pay stamp duty on petitions and applications to government, mass and private organizations and other similar institutions rests on the petitioner or applicant.

(9) The employee shall be liable for the payment of stamp duty on contracts of employment.

## **7. Time and manner of payment**

(1) The stamp duty shall be paid:

- (a) on memorandum and articles of association, before or at the time of registration;
- (b) on awards, before or at the time of issuance of the award;
- (c) on negotiable instruments, at the time of issuance;
- (d) on contracts or agreements, before or at the time of signature;
- (e) on leases or sub-leases; before or at the time of signature;
- (f) on notarial acts, at the time of issuance;
- (g) on security deeds, before or at the time of signature;
- (h) on contract of insurance, before or at the time of issuance of the contract to the insured;
- (i) on receipt, when issued;
- (j) on share certificate, when issued;
- (k) on documents transferring title to property, before or at the time the transfer is effected;
- (l) on tickets, before or when issued.

(2)(a) The payment of a stamp duty under Birr-fifty (50) shall be effected by affixing stamp of appropriate value to the instrument.

(b) When the stamp duty exceeds Birr-fifty (50) or where the type and nature of instrument so requires, the Minister may, by regulation provide that stamp duty be paid by means other than affixing stamp.

(3)(a) Whoever executes an instrument bearing an adhesive stamp shall at the time of execution cancel the same, so that it cannot be used again.

(b) Persons required to cancel the adhesive stamp shall cancel it in such manner as will be prescribed by the Minister.

(c) Any instrument bearing an adhesive stamp which has not been cancelled as prescribed by the Minister shall be deemed, so far as such stamp is concerned to be unstamped.

## **8. Power of the Inland Revenue Administration**

The Inland Revenue Administration is hereby vested with powers to:

(1) Collect the stamp duty determined under, and implement the provisions of this Proclamation.

(2) Require persons liable to pay stamp duty to submit for its inspection any registers, books, papers, documents and proceedings necessary for the determination of stamp duty, or where necessary to require the attendance of such persons who shall give the necessary explanation in the course of its inspection of such

records.

(3) To determine by estimation the stamp duty payable under this Proclamation if the concerned person fails to comply with its requests provided in sub-article 2 of this Article.

## **9. Right to Appeal**

Persons dissatisfied with the decision of the Inland Revenue Administration in respect of the amount of stamp duty may, within 21 days from the date of notification of the decision rendered in writing, make an appeal against the decision to the High Court.

## **10. Effect of Non-payment of Stamp Duty**

(1) No instrument chargeable with stamp duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence or shall be noted upon or authenticated by any such person or public office, unless such instrument is duly stamped.

(2) Sub-article 1 of this Article shall not affect the validity of the instrument when submitted as evidence in any proceedings in a criminal court.

(3) A petition or application which has not been duly stamped shall not be received nor shall it be acted upon.

(4)(a) Any instrument inadmissible in evidence in accordance with this Proclamation shall be admitted in evidence in accordance with this Proclamation shall be admitted in evidence on payment of four times the amount due which shall not be less than 10 Birr.

(b) Any person from whom a stamped receipt is required but who has issued an unstamped receipt, shall pay four times the amount due, plus a penalty of Birr 5.

(c) No penalty or fine shall be levied in respect of a petition or application that has not been duly stamped.

(5) The application of any penalty pursuant to the foregoing Articles shall not bar the prosecution of any person in accordance with [Article 13](#) of this Proclamation.

## **11. Exemptions**

(1) No stamp duty shall be charged on contract, agreement or memorandum thereof relating exclusively to the sale of merchandise.

(2) No stamp duty shall be chargeable on receipts and negotiable instruments the amount or value of which does not exceed Birr ten (10).

(3) The Minister may for good cause grant exemption from payment of stamp duty on tickets.

(4) No stamp duty shall be charged on petition or application made by an employee to his employer in matters relating exclusively to his employment such as salaries, promotions, leave, etc.

(5) Ministries, commissions and government authorities excluding public agencies as defined in the Regulation

and Coordination of Public Financial Operations Proclamation No. 163/1979 shall be exempt from payment of stamp duties.

(6) Subject to reciprocity, the Minister may grant exemption from payment of stamp duty on all or certain instruments of embassies, consulates and missions of foreign states or international organizations.

## **12. Powers of the Minister**

The Minister is hereby empowered to issue regulations for:

- (1) The supply or sale of stamps and stamped papers;
- (2) The appointment of persons by whom the sale of stamps and stamped papers is to be carried out, and the duties and remuneration of such persons;
- (3) The provision of allowances for stamps and stamped papers spoiled or lost provided that such regulation shall not reduce the sale of adhesive stamps to the value of Birr 0.20;
- (4) The better carrying out of this proclamation.

## **13. Penalty**

(1) Any person:

(a) drawing, making, issuing, endorsing or transferring or signing otherwise than as a witness, or presenting for acceptance or payment of accepting, paying or receiving payment of, or in any manner negotiating bill of exchange, cheque or promissory note without the same being stamped; or

(b) executing or signing, otherwise than as a witness, any other instrument, not being a petition or application, chargeable with duty without the same being duly stamped;

shall be, liable on conviction to fine not exceeding Birr 500.

(2) If a share warrant is issued without being duly stamped, the company issuing the same and also every person who, at the time when it is issued, is the managing director or other principal officer of the company shall be liable on conviction to a fine not exceeding Birr 500.

(3) Any person who:

(a) being required under this Proclamation to give a receipt, refuses or neglects to give same; or

(b) with intent to defraud the appropriate payment of duty makes or gives an improper or incorrect receipt;

shall be liable on conviction to a fine not exceeding Birr 100.

(4) Any person who:

(a) with intent to defraud the proper payment of duty, makes or issues any bill of exchange or promissory note, bearing a date subsequent to that on which such bill or note is actually drawn or made; or

(b) knowingly and with intent to defraud conceals facts bearing on the true nature of any instrument; or

(c) knowing that a bill of exchange or a promissory note has been post-dated, endorses, transfers, presents for acceptance or payment or accepts, pays or receives payment of such bill or note, or in any manner negotiates same;

shall be liable on conviction to a fine not exceeding Birr 1,000.

(5) Any person:

(a) appointed to sell stamps or stamped paper who disobeys Regulations issued under this Proclamation; or

(b) not so appointed who sells or offers for sell stamps or stamped papers of the value of more than Birr 0.20;

shall be liable on conviction to imprisonment not exceeding six months or to a fine not exceeding Birr 1,000 or to both imprisonment and fine.

#### **14. Repeal and Savings**

(1) The Stamp Duty Decree No. 26/1957 is hereby repealed and replace by this Proclamation.

(2) The provisions of the Stamp Duty Regulations No. 221/1959 shall remain in force insofar as they are not inconsistent with this Proclamation.

#### **15. Effective Date**

This Proclamation shall come into force as of the 26th day of September, 1987.

Done at Addis Ababa, this 22nd day of August 1987.

THE PROVISIONAL MILITARY  
ADMINISTRATIVE COUNCIL

#### ***SCHEDULE OF STAMP DUTY RATES***

The Stamp duty on each instrument shall be charged, levied and collected at the following rates:

Instruments chargeable with Stamp Duty	Basis of valuation	Rates of Duty
1. Memorandum and Articles of Association of any business Organizations, cooperatives or association	flat	
	(a) upon 1st execution	Birr 200.00
	(b) upon any subsequent execution	Birr 60.00
2. Award on value	a) with determinable value	3%
	b) with undeterminable value	Birr 25.00



3. Bill of Exchange and promissory note	on value up to and including Birr 500 =	Birr 1.00
	in excess of Birr 500 =	2%
4. Cheques	flat	Birr 0.20
5. Bonds	on value	Birr 8 per Birr 1,000
6. Warehouse Bond	on value	1%
7. Contracts and agreements and memoranda thereof	flat	Birr 2.00
8. Security Deed	on value	Birr 0.50 per Birr 100
9. Collective Agreement	a) on 1st execution	flat Birr 200
	b) on any subsequent execution	Birr 50
10. Contract of Employment	on value	1%
11. Lease, including sub-lease and transfer thereof	on value	Birr 0.40 per Birr 100
12. Notarial act	flat	Birr 4.00
13. Contract of Insurance	on value	2%
14. Power of attorney	flat	Birr 25.00
15. Protest of Bill of Exchange or promissory note	flat	Birr 2.00
16. Share Certificate	flat	Birr 0.10
17. Receipt	flat	Birr 0.10
18. Documents transferring Title property	on value	4%
19. Tickets	on value	30%
20. Petitions and applications to Government, Mass and Private Organizations and other similar institutions	flat	Birr 0.20
Other Services	Authentication of Signature	Birr 24

Effective Date The Regulations shall enter in to force as of the 26th day of September, 1987.

***SCHEDULE D. GOODS THAT SHALL BE LIABLE TO EXCISE TAX WHEN EITHER PRODUCED LOCALLY OR IMPORTED***

Type of Product	Excise Tax Rate
1. Any type of sugar excluding molasses	50
2. Drinks	
2.1 All types of soft drinks except squash & other similar juices	80
2.2 Mineral Water	50
2.3 Alcoholic Drinks	
2.3.1 All types of beer & stout	150
2.3.2 All types of wine	50
2.3.3 Other alcoholic drinks	75
3. All types of pure alcohol	200
4. Denatured alcohol	50
5. Tobacco & tobacco Products	
5.1 Tobacco Leaf	20
5.2 Cigarettes, cigar cigarillos, pipe tobacco, snuff and other tobacco products	
6. Salt	50
7. Fuel Super Benzine, Regular Benzine, Petrol, Gasoline and other Motor Spirits	30
8. Perfumes	100
9. Leather	
9.1 All types of tanned or dressed leather	20
9.2 All types of fur skin, tanned or dressed	50
10. Textile	
10.1 Textile fabrics, knitted or woven of natural silk, rayon, nylon & wool or other similar materials	10

10.2 Textile of any type partly or wholly made from cotton, which is grey, white dyed or printed, in pieces of any length or width (except "Abudgedid"), and including blankets, bed sheets, counter-panes, towels, table clothes, carpets and similar articles	10
11. Various types of personal adornment of any origin	50
12. Dishwashing machines of a kind for domestic use	80
13. Washing machines of a kind used for domestic purposes	30
14. Video Decks, Television or Video Cameras	30
15. Television broadcast receivers whether or not combined with gramophone, radio, or sound receivers and reproducers	10
16. Motor passenger cars, Station Wagons, utility cars and similar vehicles (including motorized caravans), whether assembled or unassembled, together with their appropriate initial equipment	
16.1 Up to 1,300 c.c.	20
16.2 From 1,300 c.c. to 1800 c.c.	50
16.3 Above 1,800 c.c.	100
17. Land Rovers, Jeeps and other Four-wheel drives	20