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Karnataka Stamp (Amendment) Act, 2025: A Legislative Step Toward Digital Transition

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Introduction

The Karnataka Stamp (Amendment) Act, 2025 has introduces significant changes to the Karnataka Stamp Act, 1957. These amendments aim to modernize the stamp duty framework by recognizing electronic documentation, digital signatures, and e-stamp technologies, aligning the Act with the Information Technology Act, 2000.

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Key Amendments

1. **Inclusion of Digital e-Stamp:** Section 2(e) has been amended to include 'digital e-stamp' within the definition of 'impressed stamp,' granting legal validity to electronically stamped documents. Previously, "impressed stamp" was understood to mean only physical impressions on paper or adhesive stamps affixed to documents.
2. **Recognition of Electronic Signatures:** Section 2(f) now encompasses electronic signatures as defined under the Information Technology Act, 2000, expanding the definition of 'executed' and 'execution' to include digital endorsements.
3. **Electronic Endorsements:** Section 2(h)(ii) has been revised to recognize certificates or endorsements generated electronically with digital signatures. By recognizing electronic signatures, the amendment encourages ease of doing business, supports remote transactions, and contributes to the digitization of legal and commercial practices.
4. **Electronic Payment of Stamp Duty:** A new subsection (4) has been added to Section 10, empowering the State Government to prescribe procedures for the electronic payment of stamp duty to the Government Treasury and for indicating such payment on instruments.
5. **Omission of Redundant Provisions:** Section 10-A, which previously dealt with the validity of instruments executed on different kinds of stamp papers and circumstances in which such instruments could be treated as duly stamped, has been omitted to eliminate outdated or redundant provisions.

Comparative Table: Pre- and Post-Amendment Provisions

Provision	Before Amendment	After Amendment (2025)
Section 2(e)	Recognized only "impressed stamp"	Includes "digital e-stamp"
Section 2(f)	"Executed" meant only physical signature	Includes electronic signatures as per IT Act, 2000
Section 2(h)(ii)	Recognized physical endorsements	Includes electronically generated endorsements with digital signatures
Section 10(4)	No provision for e-payment of stamp duty	State Government may prescribe e-payment procedures
Section 10-A	Existing provision in the Act	Omitted to remove redundancy

Implications

The amendments introduced by the Karnataka Stamp (Amendment) Act, 2025, are pivotal in transitioning towards a digital economy. By recognizing electronic documents and signatures, and enabling electronic payment of stamp duty, the Act enhances efficiency, reduces reliance on physical documentation, and aligns with national digitalization initiatives. The amendments mark a significant step in modernizing the state's legal framework concerning stamp duties. These changes simplify processes and ensure that the law keeps pace with technological advancements, encouraging a more efficient and transparent system for all stakeholders.

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