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Stamp Duty and Registration Fee Exemption Notified for Life Mission Housing in Kerala

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PUBLISHED 17 July 2025

Introduction

In a move that strengthens the accessibility and affordability of housing for economically weaker sections, the Government of Kerala has issued an official order granting full exemption from stamp duty and registration fees for beneficiaries of the Life Mission scheme acquiring land for housing purposes. The exemption, notified on 14 July 2025, is applicable for a period of two years and marks a significant fiscal intervention aligned with the State's commitment to social welfare and housing rights.

Legal Framework and Background

- 1. The Kerala Stamp Act, 1959:** The levy and exemption of stamp duty in Kerala is governed by the Kerala Stamp Act, 1959. Under Section 9 of the Act, the State Government is empowered to remit or reduce stamp duty on any instrument in the public interest, by issuing a notification in the Official Gazette.
- 2. The Registration Act, 1908:** Under Section 78 of the Registration Act, 1908, registration fees are prescribed for various classes of documents. The power to reduce or exempt such fees lies with the State Government, typically exercised through executive orders or rules under the Kerala Registration Rules.
- 3. Kerala Life Mission Scheme:** The Life Mission is Kerala's flagship housing initiative aimed at providing secure housing to landless and homeless families in the State. The scheme provides financial assistance and enables infrastructure for constructing homes through direct and convergence-based models. Ensuring that beneficiaries are not burdened with statutory charges such as stamp duty and registration fees is essential to the program's success.

Details of the Exemption

Pursuant to the Government Order issued on 14 July 2025, the State of Kerala has granted a full exemption from payment of stamp duty and registration fees in respect of land acquired by beneficiaries under the Life Mission housing scheme. This exemption is applicable for a period of two years from the date of the order, i.e., until 13 July 2027. It applies to land acquired through any lawful mode of transfer, including purchase, gift, lease, or other conveyance.

To avail of this exemption, the individual must be a certified beneficiary under the Life Mission scheme. At the time of executing and registering the relevant instrument, the beneficiary is required to produce a certificate issued by the District Collector or an authorised Tehsildar. The certificate must confirm two key conditions: (i) that the person is a recognised beneficiary under the Life Mission scheme, and (ii) that the land is being acquired exclusively for the purpose of constructing a residential dwelling under the said scheme.

Regulatory and Practical Implications

- 1. Reduced Cost of Acquisition:** This exemption significantly reduces the transactional burden on Life Mission beneficiaries, many of whom belong to economically weaker backgrounds. For a typical land registration, stamp duty and fees can account for 8–10% of the transaction value, an amount that is now fully waived.
- 2. Procedural Compliance:** Beneficiaries and stakeholders must ensure timely procurement and submission of the required certification. Any failure to meet procedural requirements may render the exemption claim invalid at the time of registration.
- 3. Implications for Developers and NGOs:** Entities involved in developing housing clusters or enabling land acquisition under Life Mission must account for this exemption in pricing models, contractual documentation, and due diligence processes.
- 4. Impact on Public Revenue:** While the move involves a revenue foregone by the State exchequer, it reflects a policy choice prioritising long-term social infrastructure over short-term fiscal gain.

Conclusion

The Government of Kerala's decision to exempt stamp duty and registration charges for Life Mission beneficiaries is a strategic regulatory intervention in support of inclusive housing. It removes critical cost barriers for vulnerable households and reflects the State's continued focus on welfare-centric governance.

Legal and compliance teams advising clients on housing, real estate, or government scheme-related transactions in Kerala should factor in this exemption while drafting documentation and planning land registrations for eligible beneficiaries. Timely compliance with the certification requirement and transaction timelines is essential to avail of this fiscal relief.

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