

## **REVENUE RULING NO. SD 149**

### **DIVISION 30 - ACQUISITIONS AND CREDITS**

#### **PREAMBLE**

- A question which has required resolution for some time has been whether an exchanged but uncompleted agreement for sale of shares in a private company or units in a private trust scheme constitutes, at the point of exchange of contracts, an "acquisition" for the purpose of Division 30 of the Stamp Duties Act.
- The definition of "acquisition" in Section 99A of the Stamp Duties Act includes "an acquisition by which a person becomes entitled to an interest . . . by means of - the purchase . . . of any share in a private company or unit in a private unit trust scheme".
- A related question is the extent of any reduction for the duty paid on the agreement for sale where there is a liability to lodge a statement under Section 99E which is chargeable with duty under Section 99F.
- Section 99F(2) provides for a reduction of the duty paid on an instrument which effected or evidenced the acquisition of the relevant acquisition or any prior acquisition in respect of which duty under Division 30 has not been previously paid.

#### **RULING**

##### **A. ACQUISITION**

- In the case of an exchanged but uncompleted agreement to purchase shares or units in a "designated landholder" it is not considered that the purchaser has acquired an "interest" and therefore become entitled to participate in a distribution of property upon a winding up of a designated land holder.
- Where there is an agreement for the purchase of shares or units in a "designated land holder", Division 30 will be administered on the basis that there is no acquisition of an "interest" until the agreement for the purchase of shares or units is completed. The agreement would be completed by payment of the purchase money by the purchaser, the execution and delivery at the same time of a conveyance by the vendor and the handing over of such deeds as relate wholly to the property conveyed. (Refer Halsbury's Laws of England (4th Edition) Vol. 42 para 273.)

##### **B. REDUCTIONS FOR DUTY PAID ON AGREEMENTS FOR SALE OF SHARES OR TRUST UNITS**

- A difficulty then arises with the provisions of Section 99F(2). As an

agreement to purchase shares or units is not considered to be an acquisition, no reduction for duty paid on the agreement is applicable.

- Pending an amendment to Section 99F(2) for clarification, the Premier has approved Division 30 being administered on the basis that any duty chargeable under Section 99F(1) will be reduced by the amount of marketable security duty paid on the relevant agreement for purchase of shares in a private company or units in a private unit trust scheme.

B. BUCHANAN,  
for Chief Commissioner of Stamp Duties.  
3rd May, 1990.

Last Updated: 20-Sep-2001