

REVENUE RULING NO. SD 259

DECLARATIONS OF TRUST OVER CORPORATE DEBT SECURITIES AND MORTGAGES

PREAMBLE

1. Transfers of, or agreements to transfer, corporate debt securities are exempt from stamp duty under General Exemption 41 contained in the Second Schedule to the Stamp Duties Act, 1920 ("the Act").
2. Similarly, transfers or assignments of mortgages are exempt from stamp duty under section 97AE of the Act.
3. However, under the Act a declaration of trust over a mortgage or a corporate debt security is subject to ad valorem duty as a conveyance and is not given the benefit of the exemption.
4. To overcome this inconsistency, the Government has approved the extension of the exemptions provided by section 97AE and General Exemption 41 to include Declarations of Trust.

RULING

5. The Treasurer has given approval for the Act to be administered on the basis that declarations of trust under which the beneficiaries are vested in possession and which identify in the declaration the property as a mortgage or corporate debt security are exempt from stamp duty. The exemption will only apply to declarations of trust executed after 1 January 1995.
6. This approval will operate by way of Variation to Statute until such time as an appropriate amendment can be made to the Act.

B Buchanan
Chief Commissioner of Stamp Duties
16 February 1995

Last Updated: 20-Sep-2001