

Document Class:	ADJUDGED
Document Name:	Declaration of Trust
Document Description:	Financial Products – Duty Already Paid
Document Code:	ADJ

Introduction

A Declaration of Trust is subject to *ad valorem* voluntary conveyance stamp duty pursuant to Section 71(3)(a)(ii) of the SD Act. Section 71(13) of the SD Act provides that where:

- a document transferring financial products (that are not quoted financial products on any recognised Stock Exchange) to a trustee has been stamped with *ad valorem* stamp duty; and
- there is a further document that evidences or records the fact that the person took the property or interest in the property as a trustee (ie. “Declaration of Trust”), then that further document will be “Adjudged Duly Stamped”.

This guide note applies to a Declaration of Trust where the *ad valorem* stamp duty has been paid on the document evidencing the conveyance of the financial products (that are not quoted financial products on any recognised Stock Exchange).

All financial products quoted on any recognised Stock Exchange conveyed on or after 1 July 2001 are “Exempt” from stamp duty. Subsequently, a Declaration of Trust is also “Exempt” from stamp duty providing:

- the property held in trust are financial products quoted on any recognised Stock Exchange; and
- the marketable securities are conveyed on or after 1 July 2001.

The following similar transactions cannot be stamped under this document heading:

If the trust property held is land, units (that are not quoted financial products on any recognised Stock Exchange) or any other property, other than financial products - refer to the appropriate document heading:

- [Adjudged - Declaration of Trust – Land – Duty already paid](#) (ADJ);
- [Adjudged - Declaration of Trust – Property – Duty already paid](#) (ADJ); or
- [Adjudged - Declaration of Trust – Units – Duty already paid](#) (ADJ).

If *ad valorem* stamp duty has **not** been paid on the conveying document, the Declaration of Trust must be submitted for the Opinion of the Commissioner of State Taxation advising the consideration paid and the market value of the property held in trust.

What *documents* can I stamp under this document heading?

The document can be in the form of:

- an Agreement that acknowledges, evidences or records the creation of the trust arrangement (commonly known as a Declaration of Trust or Acknowledgment of Trust);
- a Deed that acknowledges, evidences or records the creation of the trust arrangement (commonly known as a Declaration of Trust or Acknowledgment of Trust); or
- any other document that acknowledges, evidences or records the creation of the trust arrangement (commonly known as a Declaration of Trust or Acknowledgment of Trust).

What types of *transactions* can I stamp under this document heading?

A document that acknowledges, evidences or records a trust arrangement is deemed **suitable** for self-stamping under this document heading where:

- a previous document that conveyed the units to a trustee has been stamped with *ad valorem* stamp duty; and
- the document that acknowledges, evidences or records the trust arrangement is dated the same date as the conveying document.

What stamp duty is payable on this document?

No stamp duty is payable, the document is “Adjudged Duly Stamped”.

What evidence do I need to retain for audit purposes?

For audit purposes, you will need to retain the following documentation:

- a copy of the stamped documents (both the conveyance of property document and the document acknowledging, evidencing or recording the trust arrangement); and
- evidence that the purchase funds were provided by the beneficiary or the trust.

Example 1 – Declaration of Trust (financial products – not quoted on the Australian Stock Exchange)

Bill and Megan Cooke as trustees of the Cooke Family Trust have purchased 100 shares in ABC Pty Ltd (being a company that is not a quoted any recognised Stock Exchange) for \$55,000.

The parties have executed a Standard Transfer Form to transfer the shares to themselves as trustee which has been duly stamped. On the same day, they execute a Declaration of Trust, which states that they are holding the 100 shares as trustees of the Cooke Family Trust.

All funding for the purchase has been obtained from a bank account in the name of the trustees of the Cooke Family Trust.

The Declaration of Trust is “Adjudged Duly Stamped”.

What section of the SD Act applies?

Section 71(13)