

Document Class: CONVEYANCE - LAND
Document Name: For No Consideration
Document Description: Easement
Document Code: VC

Introduction

This guide note explains how stamp duty is calculated where there is no consideration passing between the Grantor and Grantee on the:

- grant of an easement;
- extinguishment of an easement; or
- variation of an easement.

The procedure is the same regardless of the form of the easement document, or the nature of the easement. An LTO Form RTC – Application for Deposit of a Plan of Division - may transact several easements. Each easement transaction is stamped separately.

Pursuant to section 71(1) of the SD Act, the market value of the interest being conveyed must be declared in the document.

Where statutory easements are created by a Deposited Plan and not by a dutiable document, there is no stamp duty liability.

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

If there is **consideration** passing between the parties - refer to the document heading:

- [Conveyance of Land – For Consideration – Easement](#) (CL).

If the grantor and grantee are the same parties - refer to the document heading:

- [Exemptions – Not Chargeable – Easement – Same Parties, No Consideration](#) (EX).

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

The document can be in the form of:

- a LTO Form RTC – Application for Deposit of a Plan of Division;
- a LTO Form TG – Grant of Easement; or
- a LTO Form VE – Application for Extinguishment / Variation of Easement.

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

An easement is deemed **suitable** for self-stamping under this document heading where:

- the document grants, extinguishes or varies an easement;
- there is no consideration passing between the parties; and
- the Grantor and Grantee are different persons.

These documents can be self-stamped regardless of whether or not the parties are related.

What stamp duty is payable on this document?

The document is chargeable with *ad valorem* conveyance stamp duty on the **market value** of the interest being conveyed.

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 document.

Example 1 – Grant of easement for no consideration

John grants an easement to Jane for no consideration. The parties are unrelated and the market value of the easement is \$1,250.

Pursuant to section 71(1) of the SD Act a value of \$1,250 has been declared as the market value of the easement in the document.

Stamp duty is charged at the *ad valorem* voluntary conveyance rate on the market value of \$1,250 (ie. \$13 stamp duty).

Example 2 – Extinguishment of easement for no consideration

Tim and Lisa have agreed that their easement is no longer required and have agreed to extinguish the easement for no consideration. The parties are unrelated and the market value of the easement is \$700.

Pursuant to section 71(1) of the SD Act, a value of \$700 has been declared as the market value of the easement in the document.

Stamp duty is charged at the *ad valorem* voluntary conveyance rate on the market value of \$700 (ie. \$7 stamp duty).

Example 3 – Variation of an existing easement for no consideration

Fred and Kate have agreed to vary the position of their existing easement for no consideration. Fred and Kate are unrelated and the market value of the easement is \$450.

Pursuant to section 71(1) of the SD Act, a value of \$450 has been declared as the market value of the easement in the document.

Stamp duty is charged at the *ad valorem* voluntary conveyance rate on the market value of \$450 (ie. \$5 stamp duty).

What section of the SD Act applies?

Section 71(3)(b)