

Document Class: CONVEYANCE - LAND
Document Name: For No Consideration
Document Description: Transfer of Lease
Document Code: VC

Introduction

This guide note explains how stamp duty is calculated on a transfer, for **no** consideration, of a lessee's interest in a lease of land, whether registered or unregistered. It does **not** refer to a transfer of a Crown Lease for **no** consideration because these documents must be stamped under the document heading:

- [Conveyance of Land – For No Consideration – Conveyance of Land](#) (VC).

Some examples of types of transactions that would be stamped under this heading are:

- a transfer of a shack site lease;
- a transfer of a commercial lease where there is no conveyance of business; and
- a transfer of a lease as part of a company title scheme.

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

You will need to indicate whether the land is used as **residential** or **non-residential**. For further advice on this refer to the [Stamp Duty Guide Glossary](#).

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

If there is a **consideration** paid the document – refer to the document heading:

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

If the document conveys the lessor's interest in the lease **pursuant to a conveyance of land** – refer to the document heading:

- [Adjudged – Transfer of Lease – Pursuant to Conveyance of Land](#) (ADJ).

If the **document** conveys the lessee's interest in the lease **pursuant to a conveyance of business** – refer to the document heading:

- [Adjudged – Transfer of Lease – Pursuant to Conveyance of Business](#) (ADJ).

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

The document can be in the form of:

- a LTO Form T3 – Transfer of Lease, Mortgage or Encumbrance; or
- an Agreement or Deed that conveys the lessee's interest in a lease.

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

A transfer of a lease is deemed **suitable** for self-stamping under this document heading where:

- there is **no** consideration passing between the parties; and
- the document conveys the lessee's interest in the lease.

The document can be stamped under this heading regardless of whether:

- the parties are related or unrelated; and/or
- a full or fractional interest is being conveyed.

What stamp duty is payable on this document?

The document is chargeable with the *ad valorem* voluntary conveyance rate of stamp duty on the **market value** of the leasehold interest.

Where there is a dispute regarding the market value of the property for stamp duty purposes, the document must be submitted for the Opinion of the Commissioner of State Taxation with full details as to why the value is being disputed and why the value shown represents the true market value.

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; and
- evidence of the market value of the leasehold interest as at the date of conveyance – where the parties are related or a fractional interest is being conveyed.

Example 1 – Transfer of a Leasehold Interest

Dave gifts to Lisa his registered leasehold shack site and improvements valued at \$140,000.

The parties have executed an LTO Form T3 - Transfer of Lease, Mortgage or Encumbrance.

A suitably qualified valuer has confirmed that the market value of the leasehold is \$140,000.

The document is charged with the *ad valorem* voluntary conveyance rate of stamp duty on the market value of \$140,000 (ie. \$4,430 stamp duty).

Example 2 – Transfer of a Leasehold Interest and Chattels

Tom has decided to relocate his business. He has given the lease of his business premises to his sister, Sally, which includes some chattels (there is **no** sale of business).

A suitably qualified valuer has advised that the market value of the leasehold is \$500.

The document is charges with the *ad valorem* voluntary conveyance rate of stamp duty on the market value of \$500 (ie. \$5 stamp duty).

What section of the SD Act applies?

Section 71(3)(b)