

<b>Document Class:</b>	<b>EXEMPTIONS</b>
<b>Document Name:</b>	<b>Units</b>
<b>Document Description:</b>	<b>Further Issue – Pro Rata</b>
<b>Document Code:</b>	<b>EX</b>

### Introduction

This guide note refers to a further issue of units, in a Unit Trust, on a *pro rata* basis where the units in the Unit Trust are not quoted on a recognised stock exchange.

Upon the establishment of a Unit Trust, units are issued to the initial unit holders of the Unit Trust. At some future time, further units may be issued in the Unit Trust.

Providing the further issue of units is issued to existing unit holders in the same ratio as their current interest (ie. on a *pro rata* basis) the document will not be liable for *ad valorem* stamp duty.

The Unit Trust must own property in South Australia in order for the document to be liable for stamp duty in South Australia.

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

The document can be in the form of:

- the unit register; or
- an Agreement or Deed evidencing the issue of units to existing unit holders.

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

A further issue of units on a *pro rata* basis is deemed **suitable** for self-stamping under this document heading where:

- the units in the Unit Trust are not quoted on a recognised stock exchange;
- the Unit Trust owns property situated in South Australia;
- the units are issued to the existing unit holders on a *pro rata* basis;
- there is no change to the unit holders in the Unit Trust; and
- there is no change to the beneficial interest of the Unit Trust property.

### What stamp duty is payable on this document?

Exempt.

**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;
- a copy of the stamped Deed establishing the Trust; and
- a schedule detailing the unit holders and the number of units held prior to the further issue.

**Example 1 – Further issue of units on a *pro rata* basis**

The total number of issued units in the Unit Trust equals 100.

- Ann owns 50 units; and
- Bob owns 50 units.

A further issue of 20 units is made to Ann and Bob (ie. 10 units each) by the trustee of the Unit Trust. As this is an issue of units in equal proportions to the existing unit holders it is an issue of units on a *pro rata* basis.

The issue document is stamped:

- Exempt on the issue to Ann; and
- Exempt on the issue to Bob.

**What section of the SD Act applies?**

Section 71(5)(ia)  
Schedule 2, Part 2, General Exemption 29.