

Document Type:	Conveyance of Land
Document Name:	Not Chargeable
Exemption Provision:	Surrender of Lease – Lessee Pays

Introduction

This Document Guide Note refers to a surrender of a lease of land where the lessee pays a consideration.

A lease of land may be surrendered before its expiry term. Where the lease is surrendered for a consideration which is **paid by the lessee to the lessor** the document is self-determined as Not Chargeable. It is irrelevant whether the lease is registered or unregistered.

The land can be qualifying land or residential land or primary production land.

The document will state a consideration, however, it may not state that the lessee pays the consideration, or it may be silent as to who pays the consideration. It is preferable that the document states in the consideration panel '\$X paid by the lessor' or '\$X paid by the Lessee'.

What documents can I self-determine under this document type?

The document can be in the form of:

- Deed or Agreement which surrenders an interest in a lease; or
- LTO Form S1 – Surrender of Lease.

What types of transactions can I self-determine under this document type?

A surrender of lease of Qualifying Land or residential land or primary production land is deemed suitable for self-determination under this document type where:

- the LESSEE pays a consideration to the Lessor; and
- the document is a LTO Form S1 – Surrender of Lease; or
- the document is in Agreement or Deed form and there is no LTO Form S1 – Surrender of Lease evidencing the surrender.

The following similar transactions cannot be self-determined under this document type:

For a surrender of lease of land where the lessor pays the consideration, refer to the document type:

[Conveyance of Land | Surrender of Lease – Lessor Pays](#)

[Conveyance of Land | Surrender of Lease – Lessor Pays – Qualifying Land](#)

For a surrender of lease of land for no consideration, refer to the document type:

[Conveyance of Land | Not Chargeable | Surrender of Lease - No Consideration](#)

What evidence do I need to retain for audit purposes?

For audit purposes, you will need to retain the following documentation either in paper form or electronic form:

- a copy of the documents;
- evidence that a stamp duty determination has been made (i.e. Certificate of Stamp Duty, Document ID or stamped document); and
- a copy of any related documents.

What Section(s) of the *Stamp Duties Act 1923* applies?

- Schedule 2, Part 2, General Exemption 29.

What stamp duty is payable on this document?

If there is a LTO form S1 – Surrender of Lease and an Agreement or Deed evidencing the transaction then the LTO form S1 – Surrender of Lease is self-determined under this document type as **Not Chargeable**. The Agreement is self-determined under the document type:

[Exemption | Agreement](#)

The Deed is self-determined under the document type:

[Exemptions | Deed](#)

Example

Surrender of Lease where Lessee pays consideration

The Landlord (lessor) leases land to the Tenant (lessee).

The Tenant (lessee) wants to surrender the lease before the expiry date. The Landlord (lessor) agrees to allow the tenant (lessee) to surrender the lease for

a consideration of \$5000 payable by Tenant (lessee). Both parties execute a Deed of Surrender **and** an LTO Form S1 – Surrender of Lease.

The LTO Form S1 – Surrender of Lease is self-determined under this document type as **Not Chargeable**.

The Deed of Surrender is exempt and the document is self-determined under the document type:

[Exemptions | Deed](#)

Version History

Version No.	Release Date
1	May 2018
2	November 2018
3	July 2019