

NSW budget 2023-24 - Key changes to NSW stamp duty regime - summary table

	DETAILS	START DATE
Landholder changes:	The proposed NSW landholder duty changes move NSW closer to the Victorian landholder model but there are differences	
Changes to acquisition thresholds	<p>New 'significant interest' concept:</p> <p>Private landholders:</p> <ul style="list-style-type: none"> - Private unit trust scheme: 20% or more - Other private landholder (registered unit trust schemes and private companies): 50% or more <p>Public landholder (trust or company): 90% or more</p>	1 Feb 2024
Wholesale unit trust registration	<p>Inserts new regime for registration of wholesale unit trust schemes. Registered wholesale unit trust schemes will be entitled to a 50% acquisition threshold for landholder duty.</p> <p>The proposed regime for wholesale unit trusts is broadly similar to Victoria, except that a wholesale unit trust in NSW will require at least 80% qualified investors (compared with 70% in Victoria).</p> <ol style="list-style-type: none"> 1. The proposed requirements for registration as a wholesale unit trust scheme in NSW are: the scheme was not established for a particular investor, and 2. not less than 80% of the units in the scheme are held by qualified investors, and 3. no qualified investor, either alone or together with associated persons, holds 50% or more of the units in the scheme, and 4. the scheme satisfies additional requirements that are specified by the Chief Commissioner by orders published in the Gazette. <p>Transitional</p> <p>An acquisition of an interest in a unit trust scheme that has not been registered as a 'wholesale unit trust scheme' is taken to be an acquisition in a relevantly registered scheme if -</p> <ol style="list-style-type: none"> (a) the acquisition occurs on or after 1 February 2024, and (b) an application is made to register the scheme before 1 May 2024, and (c) the application is approved. 	1 Feb 2024

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Imminent wholesale unit trust scheme	<p>The Chief Commissioner may register a unit trust scheme as an imminent wholesale unit trust scheme where satisfied it will be a wholesale unit trust scheme within 12 months after the day on which the first units in the scheme are issued to a qualified investor.</p> <p>This is similar to the Victorian provisions for imminent wholesale unit trust schemes.</p> <p>Registered imminent wholesale unit trust schemes will be entitled to a 50% acquisition threshold for landholder duty.</p>	1 Feb 2024
Qualified Investor	<p>The qualified investor criteria are substantially similar to the criteria under the Victorian Duties Act.</p> <p>Like Victoria, foreign investors must apply to the Chief Commissioner to be recognised as a qualified investor.</p>	1 Feb 2024
Linking threshold decrease	<p>The threshold for the tracing of property through linked entities of a landholder will decrease from 50% to 20%.</p> <p>Entities in a chain will be considered linked where one of the entities would be entitled, in the event of a distribution of all property of the other entity to receive not less than 20% of the value of the property of the other entity.</p>	1 Feb 2024
Transitional - Landholder	<p>The landholder rules (Chapter 4), as in force immediately before it was amended, continues to apply to the following-</p> <p>(a) a relevant acquisition <u>occurring before</u> 1 February 2024,</p> <p>(b) a relevant acquisition occurring <u>on or after</u> 1 February 2024 if the acquisition arose from an <u>agreement or arrangement</u> entered into before the introduction date - <u>19 September 2023</u>.</p> <p>See also Transitional provision noted above for acquisitions in 'wholesale unit trust schemes'.</p>	
Corporate reconstructions and corporate consolidations change to 90% relief	<p>Concession for duty on corporate reconstructions and corporate consolidations reduced from a 100% exemption to a 90% concession.</p>	1 Feb 2024

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Transitional - corporate reconstruction and consolidations	<p>The current exemption for corporate reconstructions and corporate consolidations will continue to apply in relation to the following –</p> <p>(a) a transaction <u>occurring before</u> 1 February 2024,</p> <p>(b) a transaction <u>occurring on or after</u> 1 February 2024 if:</p> <p>(i) the application for exemption is made <u>on or before 1 April 2024</u>, and</p> <p>(ii) the transaction arose from an <u>agreement or arrangement</u> entered into before the introduction date - <u>19 September 2023</u>.</p>	
Increase to fixed & nominal duties	<p>There are numerous fixed and nominal duty provisions. There are increases across the board, and notably, the fixed trust declaration duty will increase from \$500 to \$750.</p> <p>\$10 increased to \$20 (e.g. s 18(2)-(6) etc)</p> <p>\$50 increased to \$100 (e.g. s 18(1) and (6A), 29(3A) etc)</p> <p>\$50 increased to \$500 (e.g. s 54A(1)-(7) and 59)</p> <p>\$500 increased to \$750 (e.g. s 58(1) and (2), 61(2) etc)</p>	1 Feb 2024