Duties Amendment Regulations 2019

Made by the Governor in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations are the Duties Amendment Regulations 2019.

2. Commencement

These regulations come into operation as follows —

(a) Part 1 — on the day on which these regulations are published in the Gazette (gazettal day);

(b) Part 3 — when the Community Titles Act 2018 section 11 comes into operation;

(c) the rest of the regulations — on the day after gazettal day.

3. Regulations amended

These regulations amend the Duties Regulations 2008.

Part 2 — Amendments commencing on day after gazettal

4. Regulation 2A inserted

After regulation 2 insert:

2A. Listed entity demergers and hybrid demergers

(1) In this regulation —

entity has the meaning given in section 148(1) of the Act;

listed entity means a listed corporation or a listed unit trust scheme (as those terms are defined in section 148(1) of the Act);

security means —

(a) in relation to a corporation — an issued share of the corporation; or

(b) in relation to a unit trust scheme — a unit issued under the scheme.
(2) In this regulation, an entity (**entity A**) is a **wholly-owned subsidiary** of a listed entity if the listed entity, or the trustee of the listed entity as trustee (if it is a unit trust scheme), directly or indirectly —

(a) holds 100% of the securities of entity A; and

(b) controls (either by being able to cast or to control the casting of) 100% of the votes that may be cast at a general meeting of entity A.

(3) In these regulations, a **listed entity demerger** is an arrangement that is made in relation to a wholly-owned subsidiary (**the demerged entity**) of a listed entity if —

(a) under the arrangement, each person (**a listed entity security holder**) who holds securities of the listed entity on the date nominated by the listed entity may acquire securities of the demerged entity; and

(b) the arrangement does not provide for any acquisition of securities of the demerged entity otherwise than by a listed entity security holder; and

(c) the demerged entity is listed on a prescribed financial market, or the Commissioner is satisfied that the demerged entity will be listed on a prescribed financial market, before the day that is 12 months after the day on which the first acquisition of securities under the arrangement occurs.

(4) In these regulations, a **hybrid demerger** is an arrangement that is made in relation to a wholly-owned subsidiary (**the demerged entity**) of a listed entity if —

(a) under the arrangement, each person (**a listed entity security holder**) who holds securities of the listed entity on the date nominated by the listed entity may acquire securities of the demerged entity; and

(b) the arrangement also involves a public float of securities of the demerged entity; and

(c) the arrangement does not provide for any acquisition of securities of the demerged entity otherwise than —

(i) by a listed entity security holder; or

(ii) in the public float.

(5) For the purposes of subregulations (3) and (4), a person may, without limitation, acquire securities by the purchase, gift, allotment or issue of the securities.

(6) For the purposes of subregulations (3) and (4), an acquisition of securities for a listed entity security
holder by a person nominated for that purpose by the listed entity is taken to be an acquisition by the listed entity security holder.

5. Regulations 5A to 5 replaced

Delete regulations 5A to 5 and insert:

4A. Special dutiable property prescribed (Act s. 18(h))

(1) In this regulation —

*timber sharefarming profit à prendre* means a profit à prendre created under a timber sharefarming agreement under the *Conservation and Land Management Act 1984* or the *Forest Products Act 2000*.

(2) For the purposes of section 18 of the Act, dutiable property that is any of the following is prescribed as special dutiable property —

(a) a profit à prendre other than a timber sharefarming profit à prendre;

(b) a timber sharefarming profit à prendre, if there is or will be consideration for the surrender of the timber sharefarming profit à prendre;

(c) a plantation interest created under an agreement under the *Tree Plantation Agreements Act 2003*, if there is or will be consideration for the surrender of the plantation interest.

4B. Dutiable transactions on which nominal duty is chargeable prescribed (Act s. 140)

(1) In this regulation —

*lot* has the meaning given in the *Land Tax Assessment Act 2002* Glossary clause 2(1);

*timber sharefarming profit à prendre* has the meaning given in regulation 4A(1).

(2) For the purposes of section 140 of the Act, the acquisition of new dutiable property by the creation of a timber sharefarming profit à prendre (the *new profit à prendre*) is prescribed as a dutiable transaction on which nominal duty is chargeable if —

(a) the new profit à prendre is created to replace another timber sharefarming profit à prendre (the *old profit à prendre*) that has been surrendered for no consideration; and

(b) the old profit à prendre was registered under the *Transfer of Land Act 1893* in relation to the whole of a lot, but the benefit of the old profit à prendre is taken to be an acquisition by the listed entity.
prendre was in relation to a portion of the lot only; and
(c) the new profit à prendre is created in relation to that portion of the lot only; and
(d) the person or persons who had the benefit of the old profit à prendre are the same as the persons acquiring the benefit of the new profit à prendre; and
(e) there is no consideration, or agreement for consideration, for the acquisition.

5. **Circumstances in which persons acquiring interests under 1 arrangement or in concert are not related persons prescribed (Act s. 162(1A)(b))**

(1) For the purposes of section 162(1A)(b) of the Act, section 162(1)(h) and (i) of the Act do not apply in circumstances where the acquisitions are made as part of—
(a) a listed entity demerger; or
(b) a hybrid demerger.

(2) This regulation applies in determining under section 162 of the Act whether persons are related persons in relation to an acquisition of an interest in a landholder if the acquisition occurs (as determined under section 176 of the Act) on or after 13 June 2019.

(3) In this regulation, a reference to a provision of the Act includes a reference to that provision as applied by section 205ZE of the Act.

6. **Regulation 7 amended**

(1) In regulation 7(1) delete the definitions of:

*carriage of passengers or goods between prescribed places*

*Interstate Road Transport Act*

(2) In regulation 7(2):

(a) in paragraph (b) delete “plant;” and insert:

plant.

(b) delete paragraph (c).

(3) Delete regulation 7(3) and insert:

(3) For the purposes of section 244(b) of the Act, the class of persons who own a tractor or tractor plant for which the vehicle licence charge is reduced under the Road
Traffic (Vehicles) Regulations 2014 regulation 81 is prescribed.

(4) In regulation 7(4):
   (a) in paragraph (d) delete “purposes;” and insert:

   purposes.

   (b) delete paragraph (e).

7. Regulation 8A inserted
   After regulation 8 insert:

   8A. Events that do not result in automatic revocation of exemption for relevant reconstruction transaction prescribed (Act s. 264A(3)(b))

   (1) For the purposes of section 264A(3)(b) of the Act, section 264A of the Act does not apply to a notifiable event that occurs in relation to a relevant reconstruction transaction if the notifiable event results from —
   (a) a listed entity demerger; or
   (b) a hybrid demerger.

   (2) This regulation applies to a relevant reconstruction transaction that occurs on or after 13 June 2019.

Part 3 — Amendment commencing when Community Titles Act 2018 section 11 comes into operation

8. Regulation 4C inserted
   After regulation 4B insert:

   4C. Subdivisions of land excluded from s. 120A and 120B prescribed (Act s. 120D(b))

   For the purposes of section 120D(b) of the Act, sections 120A and 120B of the Act do not apply to a subdivision of land under a community titles (building) scheme registered under the Community Titles Act 2018, other than a community titles (building) scheme in which no lot, or part of a lot, is above or below another lot, or part of a lot, in the community scheme.

R. NEILSON, Clerk of the Executive Council.