

edr update is our client e-newsletter designed to give EDR clients the latest information on our online service available for processing duties transactions.



## National e-Conveyancing Readiness

Property Exchange Australia (PEXA) aims to provide an electronic business environment for completing property transactions, including electronic lodgement with Land Registries and the settlement of funds.

This will include providing an electronic environment to:

- allow the different and accredited parties involved in the transaction to view and complete the documents to conclude the property exchange or transaction (real property transfers, mortgages, discharges etc)
- allow for the electronic settlement of all financial transactions at a nominated date including settlement monies, duties, taxes and any disbursements
- lodge electronically Land Title instruments for registration with the relevant State or Territory Land Registry for electronic processing.

PEXA is scheduled to 'go live' for NSW in October 2014. Read more about PEXA at [www.pexa.com.au](http://www.pexa.com.au)

## Changes to Electronic Duties Returns

To allow us to integrate and validate data with PEXA, our Electronic Duties Return (EDR) service has been upgraded. The changes will commence on Monday, 9 June 2014 and include:

- number of transfers – agreements for sale of land processed through EDR must include a transfer
- transfer item type – for each transfer you must select a 'transfer item type', i.e. transfer in conformity S18(2) or transfer not in conformity S18(3) of the *Duties Act 1997*
- water access licence – available through EDR when associated with an agreement for sale of land
- New Home Grant – Off the Plan – The 'number of transfers' and a 'transfer item type' must be included in all assessments
- registered valuers information – valuer information must be entered for certain related party transactions
- structured party names – required for all mortgage and marketable securities transactions
- OSR reference number (transaction no.) – OSR reference number (including the suffix) must be written on the EDR duty stamp and entered in EDR system (where applicable)
- First Home New Home – Shared Equity Partner details must be entered
- Duties Notice of Assessment (Notice) and Duties Statement (Statement) – these documents have been modified to display additional information.



## Number of transfers

For all agreements for sale of land processed through EDR you must include a transfer as part of the assessment.

This will apply to the following document types:

- Agreement for Sale of Land
- Agreement for Sale of Land Aggregated
- Off the Plan Purchase
- First Home – New Home
- First Home – New Home – Off The Plan
- New Home Grant
- New Home Grant – Off the Plan.

**Note:** You must pay the total tax displayed on your Notice as part of your weekly remittance (including \$10 for the transfer). If the transfer is unavailable at the time of assessment, you can stamp it at a later date.

## Transfer item type

For each transfer entered in EDR you must also nominate a 'transfer item type'. The 'transfer item type' field identifies the type of transfer you are assessing. There are two options available:

- transfer in conformity (S18(2))
- transfer not in conformity (S18(3)).

For further information about S18(2) and S18(3) of the *Duties Act 1997* please refer to Revenue Ruling DUT 10 – Transfers Pursuant to an Agreement for the Sale or Transfer of Dutiable Property.

## Liability type

When a S18(3) transfer item type has been selected you must enter all parties to the transaction and nominate their liability type. There are three liability types:

- Purchaser – this party only appears on the agreement for sale of land
- Transferee – this party only appears on the transfer
- Purchaser/Transferee – this party appears on both the agreement for sale of land and the transfer.

For S18(3) transactions you must always have at least one party that is only a transferee.

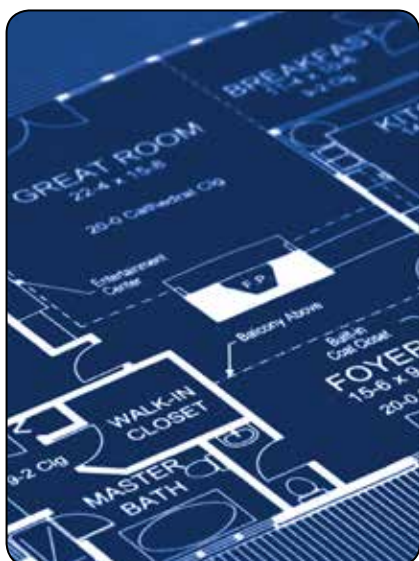
**Note:** When a S18(2) transfer item type is selected the liability type will default to Purchaser/Transferee.

## Water Access Licence

A Water Access Licence (WAL) that is associated with an agreement for sale of land can now be processed through EDR. When you assess the agreement for sale of land enter the number of transfers and then select the 'transfer item type' (i.e. S18(2) or S18(3)). If you have a real property transfer and a WAL you would select two transfers.

A new 'Other Property Details' field has been created to collect the WAL number. The format of the WAL number must be displayed as a whole number, e.g. WAL12345678. Do not leave any spaces. The WAL number will be displayed on your Statement.

WAL's not associated with an agreement for sale of land must be lodged with us for assessment.



## New Home Grant – Off the Plan

All New Home Grant Applications, including Off the Plan purchases, must be processed within three months from the date of first execution of the agreement for sale of land. Currently, when you process a New Home Grant – Off the Plan application through EDR, you are unable to include a transfer in conformity if the duty is not going to be paid as part of the return (see EDR Update – November 2012).

Commencing 9 June 2014, for all agreements for sale of land (including New Home Grant – Off the Plan transactions) processed through EDR you must enter the number of transfers and then select the 'transfer item type' (i.e. S18(2) or 18(3)). In the absence of a real property transfer at the time of processing the agreement for sale of land through EDR, you must enter one transfer and select the 'S18(2) – Transfer in conformity' item type.

**Note:** If the final property description is not known at the time of processing enter the current property description as shown on the agreement for sale of land.

If the 'transfer item type' changes prior to settlement you must process a new assessment through EDR by selecting the document type 'transfer not in conformity'. You must not use the OSR reference number from the original assessment on the 'transfer not in conformity'.

## First Home New Home – Shared Equity Arrangements

First Home New Home – Shared Equity Arrangements allow eligible purchasers to buy property with other parties and still receive a concession. To qualify, the eligible purchasers must buy at least 50 per cent of the property. Currently, you are not required to enter equity party names if the interest they hold in the property (accumulated) is less than 5 per cent.

In order to validate the data in PEXA all parties to the transaction must now be entered. Therefore when the shared equity indicator is 'yes' all equity partners must be entered.

## Registered valuer details

A valuation by a registered valuer is required when the parties to an agreement for sale of land or transfer of property (purchaser/vendor or transferee/transferor) are related (refer to Revenue Ruling DUT012 – Dutiable Transactions - Evidence of Value). The valuation must be retained as part of your EDR records for that transaction.

The valuer's details (valuer's name, licence/registration number and their company name) must be entered as part of the EDR assessment data.

When the related party indicator is 'Y' you will be required to enter the valuer's information in the 'Party Details' field. A new party type of 'valuer' has been added to the current options.

Select 'valuer' and enter the valuer's name, licence/registration number and their company name.

You will not be required to provide valuer's information for certain exempt transactions (e.g. S68 Break up of marriages and other relationships, S274 Transfer of certain business property between family members etc).

## OSR Reference number (transaction number)

The OSR Reference number displayed on the Notice must be written on your EDR duty stamp in the transaction number field. The whole number including the suffix (e.g. 1234567 – 001) is required.

A number of EDR transactions require a 'Related OSR Reference' number to be entered as part of the assessment data (e.g. mortgages - further advance and aggregated agreements). The format of this field in EDR has been updated to reflect the OSR Reference number on the Notice.

## MORE INFORMATION



[www.osr.nsw.gov.au](http://www.osr.nsw.gov.au)



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Help in community languages is available.

Office of State Revenue: ISO 9001–Quality Certified  
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The new field will have two elements, the primary number and the suffix (e.g. 1234567 – 001).

If you are unsure of the suffix on the earlier related OSR Reference number please enter 001. All EDR transactions have an OSR Reference number that ends with a 001 suffix.

## Structured party names for all EDR transactions

For all EDR conveyancing transactions you are required to enter the details for all parties (liable and non-liable) together with the required client identification information (Date of Birth for individuals or ABN/ACN/ARBN for companies).

This structured name format has now been extended to all mortgage and marketable securities transactions.

### Mortgages

All mortgagee and mortgagor names must be entered. For individuals, the date of birth requirements are optional but for companies the ABN/ACN/ARBN must be entered.

### Marketable securities

Only the transferee names must be entered. For individuals and companies the client identification information (Date of Birth for individuals or ABN/ACN/ARBN for companies) is optional.

### Former surname

Currently you are required to enter the former surname of First Home New Home purchasers to confirm their eligibility under that scheme.

The 'former surname' functionality has been extended to all conveyancing and mortgage transactions available through EDR.

The requirement to enter this information is optional.

## Changes to Notice and Statement

All parties liable to duty are displayed on the Notice and Statement (e.g. purchasers, transferees, etc). This functionality has been extended when the assessment includes a S18(3) transfer.

The purchasers names will always be listed first followed by the transferee names. To differentiate the parties the transferee names will be bolded.

Two additional fields have been added to the Statement:

- 'Transfer Item Type' – this field displays the number of transfers associated with the assessment and the transfer type selected (i.e. S18(2) and S18(3))
- 'Other Property ID/s' – this field is dynamic and will only appear when an assessment includes the transfer of a WAL.

## Other changes

Other changes to our EDR service will be required when PEXA goes live so that we can fully integrate. These changes will allow us to:

- identify EDR transactions settling through PEXA
- verify property data in PEXA with OSR assessment data
- allow payment of tax (duty and land tax) through PEXA.

EDR clients will nominate the transactions settling through PEXA by answering the following question:

### 'Will this transaction be lodged via PEXA?'

This question may be visible on EDR from June but will not be activated prior to the PEXA implementation in NSW (October 2014).