



Issue 22, October 2017

### Surcharge purchaser duty rate increase

Foreign persons are required to pay surcharge purchaser duty (SPD) on the purchase of residential real estate in NSW. The surcharge is in addition to the duty payable on the purchase of residential property.

As a result of the [2017 State budget](#), the SPD rate has increased from 4 to 8 percent. This applies to all agreements entered into on or after **1 July 2017**.

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### Processing your surcharge purchaser duty on Electronic Duties Returns (EDR)

Conveyancers, solicitors and settlement rooms need to be aware of changes to the Revenue NSW EDR system.

From **Monday 9 October 2017**, most SPD transactions can be processed using this system. Transactions processed through the EDR system, which calculates the duty payable, will no longer be assessed by Revenue NSW. The interim arrangements introduced in July 2016 have also been discontinued.

This change allows solicitors and conveyancers to experience seamless integration with e-conveyancing platforms, making it easier to do business.

All Revenue NSW [approved settlement rooms](#) will now be able to assess SPD transactions.

The [Duties document matrix](#) has been updated to display the SPD transactions that must be processed on EDR. Please download and refer to the latest version of the matrix.

Solicitors and conveyancers can now settle a transaction with SPD using Property Exchange Australia (PEXA) because there is now a single Duties Assessment Number. To find out more, go to the [Surcharge purchaser duty page](#).

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### Interim arrangements discontinued

In July 2016 interim arrangements were put in place to enable EDR authorised agents to process SPD transactions.

As a result of the changes to the EDR system, the interim arrangements will be discontinued from Monday 9 October 2017.

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## Changes to the EDR system

To accommodate SPD, additional fields and functionality have been included to ensure the EDR system can determine the correct amount of duty and where SPD applies.

As part of the system enhancement, EDR users will notice changes to transaction details, party details and land details in all conveyancing document types. These changes will automate the duty and SPD calculation within the one duties assessment number, allowing the EDR system to be in line with end-to-end electronic conveyancing channels.

For more details of the change to EDR systems, contact the Client Service Provider.

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## Supporting evidence and record keeping

A [Purchaser/Transferee Declaration](#) must be completed when buying or acquiring land in NSW. As an EDR authorised agent you can accept the declaration and, based on the information declared, process the transaction through the EDR system.

Revenue NSW may request evidence regarding information provided on the declaration and will contact the purchaser/transferee directly.

Read the [Purchaser/Transferee Declaration explanatory notes and supporting evidence](#) for more information.

The purchaser/transferee must retain records for a period of five years under Part 8 Section 53 of the *Taxation Administration Act 1996* to confirm that the correct tax has been paid.

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## Further information

The [Surcharge Purchaser Duty page](#) and the [Electronic Duties Return page](#) have been updated on the Revenue NSW website to reflect the changes to the EDR system.

The Surcharge Purchaser Duty page has also been expanded to assist in clarifying terms such as foreign person and ordinarily resident.



Revenue NSW

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