



# New document duty rates from 1 January 2017

## October 2016

The 2017 States of Guernsey Budget has been released today, which will be pending States approval on 1 November.

The proposal is that from 1 January 2017 the following document duty regime shall apply:

- 2% on up to £250,000 of the transaction value
- 3.25% on up to the next £150,000 (i.e. the portion from £250,001 to £400,000)
- 3.5% on up to the next £350,000 (i.e. the portion from £400,001 to £750,000)
- 3.75% on up to the next £250,000 (i.e. the portion from £750,001 to £1,000,000)
- 4% on the remaining amount (i.e. the portion above £1,000,000)

The practical effect will be that there will be a saving for properties under £800,000, but over that figure duty will rise. This is positive news for first time buyers.

By way of example a £400,000 purchase will benefit from a saving of £2,125 in duty, whereas a £2 million purchase will incur an additional £11,500.

It is the view of the Policy & Resources Committee that this will provide a stimulus to the lower and middle sections of the housing market and further encourage the recovery currently being experienced.

There will be provisions to enable refunds of the additional Document Duty paid if prior to the date of publication of the Budget Report a legally binding agreement has been entered into for a conveyance to be executed and registered on or after 1 January 2017.

The Budget also says that, in respect of the introduction of a Share Transfer Duty regime in Guernsey which taxes sales of interests in entities that own either commercial or domestic real property in Guernsey at the same rate as applied under the Document Duty Law for standard conveyances, the Committee has continued to consult with the Guernsey Bar Council and other interested parties on the draft legislation and is intending to submit a Policy Letter for consideration shortly.

In addition to the above, TRP is set to rise.

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