



This Commissioner's practice provides guidance on how the Commissioner will assess or reassess an agreement for the transfer of dutiable property when the consideration is reduced after the agreement is entered into.

This practice applies to transactions entered into on or after 1 July 2008.

Background

Reduction in Consideration

If the consideration under an agreement for the transfer of dutiable property is reduced after the agreement is entered into, and before the property is transferred, section 31(1) of the *Duties Act 2008* (Duties Act) allows the Commissioner to assess or reassess the duty on the agreement for transfer on the reduced consideration if:

- (a) the reduced consideration is not less than the unencumbered value of the dutiable property when the consideration was reduced; or
- (b) the consideration is reduced because the parties have agreed not to transfer some of the dutiable property previously agreed to be transferred and the reduced consideration is not less than the unencumbered value of the dutiable property that remained to be transferred.



