



Why are transactions aggregated?

Duty is imposed on a sliding scale (that is, the higher the value of the transaction the higher the rate of duty). This means that without aggregating transactions, a liability to duty could be reduced by splitting a single transaction into separate transactions.

Section 22 of the *Duties Act 2001* (the Act) ensures the following:

Regardless of how the transactions are structured, the same amount of duty is paid on multiple transactions as it would for one transaction (where those multiple transactions constitute 'one arrangement').

Example

A transaction for two properties sold through one contract for \$200 000 would attract duty of \$5 935. If the transaction was split into two transactions of \$100 000, each transaction would attract duty of \$2 435 each, resulting in total duty of \$4 870.

When are transactions to be aggregated?

Section 22 of the Act provides that certain dutiable transactions will be aggregated and treated as a single transaction if:

- a) they occur within 12 months;
- b) the transferee is the same, or the transferees are associated persons; and
- c) the "dutiable transactions together form, evidence, give effect to or arise from what is, substantially, one arrangement relating to all of the items or parts of, or interests in, the dutiable property."

How do I determine if transactions need to be aggregated?

It is often evident that conditions a) and b) above are met. Whether transactions form one arrangement depends on the facts.

It can also be clear that a series of dutiable transactions form one arrangement, for example, where there is a single contract of sale, or the contracts are interdependent. If you know that a number of dutiable transactions should be aggregated, they can be processed through TRO.

If you are unsure whether a series of transactions should be aggregated, the *Aggregation Statement Statutory Declaration* can be used. This sets out i) the facts of the transactions, ii) how they were negotiated, and iii) can help determine whether the aggregation provisions apply. If you are still unsure, you should submit the transactions to the SRO.

The aggregation statement can also be used to request the Commissioner to disaggregate transactions (that would otherwise be aggregated) if it is not just and reasonable for the transactions to be aggregated.

Can TRO Agents self-endorse aggregated transactions?

Yes. However, if you are unable to enter or endorse an aggregated transaction, please refer to your TRO System administrator in the first instance to confirm you have sufficient access in TRO.

More information

1. [Aggregation Statement Statutory Declaration](#)
2. [Section 22 of the Duties Act 2001 \(Aggregation\) Ruling](#)
3. [Evidence of Value Ruling](#)
4. [Documentary evidence requirements Guideline](#)



Entering an aggregated property transaction in TRO

- Enter and endorse the **first** transaction.
- Enter the **second**, and any **subsequent** transaction/s, as an aggregated transaction.
- In the example below, the second and subsequent transactions are entered under the transfer type, *Aggregated property transfer*.
- Enter the following information on the *Duty Calculations* screen for the Aggregated property transfer:
 - Total dutiable value of aggregated transaction should include the combined dutiable value for all prior transactions and the current transaction. (TRO will auto-populate the duty calculated on the total dutiable value).
 - Duty previously paid on prior transaction should total the amount of duty calculated on all prior transactions; this does not include any interest that may have been paid.
 - Click on *Add prior transaction details* and enter the prior transaction Document ID (SRO reference number) and the date of stamping for the last prior transaction.
 - TRO will automatically calculate the amount of duty payable for the current transaction.

Example

Total dutiable value: \$1 000 000.
 (Comprises \$600 000 for the current transaction and \$400 000 for the prior transaction).

TRO automatically calculates the duty on the combined dutiable value: \$40 185.00

Duty previously paid on prior transaction: \$13 997.50

Prior transaction Document ID: 12345678
 (SRO reference number)

Date of stamping of prior transaction: 01/04/2019

TRO automatically calculates the duty payable for this transaction: \$26 187.50

Duty Calculations screen

Duty calculations require a settlement date entered in the "Transaction information" section

Total dutiable value of aggregated transaction	\$ 1,000,000.00 *
Duty on dutiable value of aggregated transaction	\$ 40,185.00
Duty previously paid on prior transaction	\$ 13,997.50

Prior transaction details

Document ID for transaction on which duty has been paid previously	12345678
Date of stamping of prior transaction	01/04/2019

Add prior transaction details

Apportioned aggregated duty to this transaction	\$ 26,187.50
Duty payable	\$ 26,187.50

Using the above example, if there is **another transaction to be aggregated**, enter it as follows:

Total dutiable value: \$1 500 000.
 (Comprises \$500 000 for the current transaction, \$400 000 for prior transaction 1, and \$600 000 for prior transaction 2).

TRO automatically calculates the duty on the combined dutiable value: \$62 685.00

Duty previously paid on prior transactions: \$40 185.00

Prior transaction 2 Document ID: 112453512

Date of stamping of prior transaction: 19/04/2019

TRO automatically calculates the duty payable for this transaction: \$22 500.00

Duty Calculations screen

Duty calculations require a settlement date entered in the "Transaction information" section

Total dutiable value of aggregated transaction	\$ 1,500,000.00 *
Duty on dutiable value of aggregated transaction	\$ 62,685.00
Duty previously paid on prior transaction	\$ 40,185.00

Prior transaction details

Document ID for transaction on which duty has been paid previously	112453512
Date of stamping of prior transaction	19/04/2019

Add prior transaction details

Apportioned aggregated duty to this transaction	\$ 22,500.00
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Entering an aggregated business transaction in TRO

- Enter and endorse the **first** transaction.
- Enter the **second**, and any **subsequent** transaction/s, as an aggregated transaction. For the purposes of this example, the second and subsequent transactions are entered under the transfer type, *Aggregated business sale transaction*.
- If the aggregated transaction includes land, enter the dealing number on the *Dealing information* screen. Otherwise, tick the box, *There is no LTO Instrument*.
- If the transaction does not relate to the transfer of land or a lease, there is no need to enter information on the *Property information*, *Other transferor information*, *Property leases* or *Lessor information* screens.
- The process for completing the *Duty Calculations* screen is the same as described on the previous page for an aggregated property transaction.

See next page for FAQs...



Frequently Asked Questions

Q. I am representing my client in the purchase of a business with plant and equipment. This transaction is required to be aggregated to the transaction for the purchase of land. However, because they have secured a mortgage over the property, the bank has endorsed that transaction. How do I aggregate the transactions?

A. To aggregate the transactions, enter the transaction for the purchase of the plant and equipment as an aggregated business transaction (refer to page 3 for further information).

This transaction type requires details about the combined dutiable value of i) the transactions, and ii) the SRO reference number for the prior transaction. To obtain that information please consult with your client or the bank that represented them in the purchase of the land.

Q. I have a transaction to be aggregated with a matter already lodged with the SRO. Can I self-endorse this transaction, or do I wait for the SRO to finalise the assessment of the other transaction?

A. If the transaction (the first transaction) lodged with the SRO has been assessed, enter your transaction as an aggregated transaction, and enter the details for the prior transaction on the *Duty Calculations* screen. You can do this regardless of whether the transaction assessed by the SRO has been paid. The duty on that first transaction will be collected by the SRO.

If the first transaction has not been assessed, it is recommended that you self-endorse your transaction. You **must** notify the SRO (using the transactions mail function) that it needs to be aggregated with the transaction lodged at the SRO. This will allow you to maintain control of the processing times.

If you choose to wait for the finalisation of the assessment of the first transaction before self-endorsing your transaction, you will need to ensure the correct amount of duty is paid by the due date (within three (3) months of the dutiable transaction occurring). If the transaction is assessed and paid after this period expires, a tax default will occur and interest will be payable.

Q. The *Prior transaction details* section on the *Duty Calculations* screen requests the amount of duty previously paid on the prior transaction. What do I enter if the prior transaction is yet to be paid?

A. Prior transaction endorsed by a TRO Agent: It is presumed to be paid because the endorsement should not occur until the money has been acquired by the TRO Agent. In this situation, enter the total duty endorsed for the prior transaction.

Prior transaction assessed by the SRO: You can enter the total duty assessed on the prior transaction. If the prior transaction has not been paid, the debt will be managed through the SRO debt management procedures.

Q. I have entered and endorsed two property transfers that were supposed to be aggregated. How do I correct this?

A. Open one of the transactions using the *View/update* function and click *Amend*. If you do not have access to amend a transaction, please discuss with your TRO System Administrator. When amending the transaction:

- On the *Dealing information* screen, update the transfer type to *Aggregated Property Transfer*.
- On the *Duty calculations* screen enter the following:
 - total dutiable value of the aggregated transactions;
 - duty previously paid on prior transactions;
 - document ID for prior transaction;
 - date of stamping for prior transaction; and
 - a comment noting the reason for the change to the transaction.
- Once the transaction is updated, you can self-endorse it. TRO will advise you to check your updated invoice details, if applicable.