

**STAMP DUTY
EVASION**

The Conveyancing Committee considers that the attention of members be drawn to the provisions of the following memorandum recently issued by the D.S.B.A.

Practitioners are reminded of the Statement of Practice regarding Stamp Duties issued by the Revenue Commissioners consequent upon the Finance Act 1991.

It has been brought to the notice of this Committee that breaches of the Revenue Guidelines are becoming increasingly prevalent particularly in transactions relating to the sale of residential properties inclusive of contents.

Practitioners should be aware that apportionment of sale considerations in such transactions only should be made on the basis that realistic and correct values are attributed to such contents based, if considered necessary, on valuations from reputable auctioneers. Any apportionments made on the basis of spurious or excessive valuations of contents in such transactions clearly constitute evasion and are in breach of the Revenue Guidelines. Practitioners also are reminded of the powers available to the Revenue Commissioners to impose substantial financial penalties and other sanctions not only against the parties involved in such transactions but also against their solicitors and other professional advisers.

Artificial Contract Prices for Loan Purposes

It also has been brought to the notice of this Committee that there is an increasing prevalence on the part of purchasers engaging in and assisting the practice of deliberately inflating sale prices of properties in excess of their actual real prices to facilitate purchasers seeking and obtaining increased loans to finance purchase of properties.

This Committee utterly condemns such practice which obviously not only is not in accordance with good conveyancing practice but also constitutes fraudulent and unprofessional conduct which would render practitioners assisting in such practice liable to serious sanctions by the Law Society.