

**INTERLINKED  
CONTRACTS AND  
STAMP DUTY**

**T**he Conveyancing Committee would like to advise practitioners of the terms of a letter received from Revenue on the above topic:-

“Revenue's view was sought as to whether section 29/53 of the Stamp Duties Consolidation Act 1999 ('SDCA') would apply in the case of specific documentation where there was a combined contract/building agreement for a new house/apartment.

The documentation provided for a unitary contract for sale/lease of a site and the construction of a house/apartment on the site in consideration of a composite monetary payment. This contract is given effect to by means of a deed of transfer/lease of the site and the house constructed thereon for a recited consideration of the total amount paid for the site and the house.

Revenue have confirmed that, in the above circumstances, the deed of transfer/lease can be certified on the basis that section 29/53 of the SDCA does not apply on the basis that the deed of transfer/lease gives effect to the purchase of a house/apartment on its erection. Accordingly, where relief from stamp duty under section 92 SDCA is applicable, the relief will apply by reference to subsection (1)(a)(iii) of section 92 by means of the reduction of the consideration (other than rent) for the sale by 75%.

Where the house/apartment transaction is structured by means of a contract for the sale/lease of the site coupled with a separate building contract, the provisions of section 29/53 of the SDCA would apply. In these circumstances where relief under section 92 SDCA is applicable the charge to stamp duty will be based on the greater of (A) the consideration paid in respect of the site or (B) 25% of the aggregate consideration paid for the site and the building of the house/apartment as provided for in subsection (1)(a)(i) or (ii) of section 92.”

[Assistant Principal

Direct Taxes: Stamp Duty, CAT & CGT]