

# **The Document Duty (Anti-Avoidance) (Rates) (Amendment) Ordinance, 2022**

**THE STATES**, in pursuance of their Resolution of the 1<sup>st</sup> November, 2022<sup>a</sup>, in exercise of the powers conferred upon them by section 4(1) of the Document Duty (Anti-Avoidance) (Guernsey) Law, 2017<sup>b</sup>, and all powers enabling them in that behalf, hereby orders: –

## **Amendment of the Ordinance.**

1. Immediately after section 1 of the Document Duty (Anti-Avoidance) (Rates) Ordinance, 2017 ("**the Ordinance**"), insert the following sections –

### **"Duty payable in respect of relevant transaction relating to domestic real property: non-principal private residence.**

1A. (1) The amount of document duty payable in respect of a relevant transaction within the meaning of the Law, which is not an exempt transaction but where subsection (2) applies, shall be the aggregate of the following percentages of the assessable market value of the significant benefit –

- (a) 4.25% of any part of such value not exceeding £250,000, and

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<sup>a</sup> Article I of Billet d'État No. XIX of 2022.

<sup>b</sup> Order in Council No. X of 2017. This enactment has been amended.

- (b) 5.50% of any part of such value exceeding £250,000 but not exceeding £400,000, and
- (c) 6.00% of any part of such value exceeding £400,000 but not exceeding £750,000, and
- (d) 6.25% of any part of such value exceeding £750,000 but not exceeding £1,000,000, and
- (e) 6.50% of any part of such value exceeding £1,000,000 but not exceeding £2,000,000, and
- (f) 7.50% of any part of such value exceeding £2,000,000.

(2) This subsection applies where a relevant transaction confers a significant benefit in relation to the property which falls into any of property references B1.1 to B1.2.5 and B.2.1 to B.2.25 other than for the purpose of being the principal private residence of –

- (a) the transferee, or
- (b) a person who is associated with the transferee, within the definition set out in section 3 of the Law.

(3) For the purposes of this section, references to "**assessable units**", "**plan area**" and "**property reference**" shall be construed as

references to those terms as defined in the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007.

(4) The Committee may publish guidance in relation to this section, which must be taken into account by the Greffier when assessing the appropriate rate of duty properly payable.

**Duty payable in respect of relevant transaction relating to domestic real property: downsizing of property.**

**1B.** (1) The amount of document duty payable in respect of a relevant transaction within the meaning of the Law, which is not an exempt transaction but where subsection (2) applies, shall be the aggregate of the following percentages of the assessable market value of the significant benefit

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- (a) 0.00% of any part of such value not exceeding £400,000, and
- (b) 4.00% of any part of the value of the transaction exceeding £400,000 but not exceeding £750,000, and
- (c) 4.25% of any part of the value of the transaction exceeding £750,000 but not exceeding £1,000,000, and
- (d) 4.50% of any part of the value of the transaction exceeding £1,000,000 but not exceeding £2,000,000, and

(e) 5.50% of any part of the value of the transaction exceeding £2,000,000.

(2) Subject to subsection (3), this subsection applies where

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(a) the property ("**the relevant property**") falls into any of property references B1.1 to B1.2.5 and B.2.1 to B.2.25,

(b) the relevant property has been acquired by the transferee to be the principal private residence of the transferee,

(c) in order to acquire the relevant property, the transferee has sold real property which was the transferee's principal private residence for a period of not less than two years ("**the previous property**"), and

(d) there is a decrease of at least 25% in the number of assessable units of the plan area of the relevant property in comparison with the number of assessable units of the plan area of the previous property.

(3) The rates set out in section 1 shall apply where –

- (a) if the previous property was occupied by more than one person, the document duty in relation to the acquisition of real property by another person who was an occupier of the previous property has already been assessed in accordance with the rates set out in subsection (1), or
- (b) the transferee has already acquired a significant benefit in relation to another property for which the document duty has already been assessed by the Greffier in accordance with the rates set out in subsection (1).

(4) For the purposes of section 1A and this section, references to "**assessable units**", "**plan area**" and "**property reference**" shall be construed as references to those terms as defined in the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007.

(5) The Committee may publish guidance in relation to this section, which must be taken into account by the Greffier when assessing the appropriate rate of duty properly payable.

(6) This section will not apply in relation to the execution of a chargeable transaction which takes place on or after 1<sup>st</sup> January 2025."

**Transitional relief.**

2. (1) Relief in accordance with the following provisions of this section is available on duty paid in connection with a qualifying transaction.

(2) Relief shall consist of a payment to be made by the States Policy & Resources Committee, out of the general revenue of the States, of an amount equal to any difference between the duty paid and -

(a) for the purposes of section 1A of the Ordinance, that which would have been payable if that section has not been enacted, and

(b) for the purposes of section 1B of that Ordinance, that which would have been payable if that section had been in force at that time.

(3) For the purposes of subsection (1) where subsection (2)(a) applies -

(a) **"a qualifying transaction"** means -

(i) a chargeable transaction which is executed within the transitional period further to a qualifying agreement, or

(ii) a chargeable transaction which is executed after the expiration of the transitional period but -

(A) such execution is effected further to a qualifying agreement, and

(B) written notice of the existence of that agreement has, within the transitional period, been given to the Greffier,

(b) "**a qualifying agreement**" means an agreement -

(i) entered into prior to 3<sup>rd</sup> October, 2022, and

(ii) the terms and conditions of which, in the opinion of the Greffier, are or were legally binding on any party to the agreement, and

(c) "**the transitional period**" means the period commencing on the day on which this Ordinance comes into force and ending on 31<sup>st</sup> December, 2022.

(4) For the purposes of subsection (1) where subsection (2)(b) applies -

(a) "**a qualifying transaction**" means a chargeable transaction which is executed within the transitional period, and

(b) "**the transitional period**" means the period commencing on 3<sup>rd</sup> October, 2022 and ending on the day on which this Ordinance comes into force.

**Extent.**

3. This Ordinance shall have effect in the island of Guernsey.

**Citation.**

4. This Ordinance may be cited as the Document Duty (Anti-Avoidance) (Rates) (Amendment) Ordinance, 2022.

**Commencement.**

5. This Ordinance shall come into force on the day on which it is made.