

The Document Duty (Rates) (Amendment) Ordinance, 2022

THE STATES, in pursuance of their Resolution of the 1st November, 2022^a, and in exercise of the powers conferred upon them by section 6(1) of the Document Duty (Guernsey) Law, 2017^b, and all other powers enabling them in that behalf, hereby orders: –

Amendment of the Ordinance.

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

"Duty payable in respect of acquisition of domestic real property: non-principal private residence.

1A. (1) The amount of document duty payable in respect of a chargeable transaction within section 2(1)(a) of the Law, which is not an exempt transaction but where subsection (2) applies, shall be the aggregate of the following –

- (a) 4.25% of any part of the value of the transaction not exceeding £250,000, and
- (b) 5.50% of any part of the value of the transaction exceeding £250,000 but not exceeding £400,000, and

^a Article I of Billet d'État No. XIX of 2022.

^b Order in Council No. IX of 2017. This enactment has been amended.

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

(2) This subsection applies where an interest in real property which falls into any of property references B1.1 to B1.2.5 and B.2.1 to B.2.25 is acquired by any person other than for the purpose of being the principal private residence of -

- (a) that person, or
- (b) a person who is associated with that person, within the definition set out in section 4 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 States Policy & Resources 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 acquisition of domestic real property: downsizing of property.

1B. (1) The amount of document duty payable in respect of a chargeable transaction within section 2(1)(a) of the Law, which is not an exempt transaction but where subsection (2) applies, shall be the aggregate of the following –

- (a) 0.00% of any part of the value of the transaction 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 -
- (a) the real 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 a person in order to be the principal private residence of that person ("**the relevant person**"),
 - (c) in order to acquire the relevant property, the relevant person has sold real property which had been that person'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(2) shall apply where -

- (a) if the previous property was owned by more than one person, the document duty in relation to the acquisition of real property by another person who was an owner (whether jointly or in common) of the previous property has already been assessed by the Greffier in accordance with the rates set out in subsection (1), or
- (b) the relevant person has already acquired real 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 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 States Policy & Resources 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 a chargeable transaction of real property, the registration of which takes place on or after 1st January 2025.

Declaration under section 5 of the Law.

1C. A declaration made for the purposes of section 5 of the Law must also include a declaration by the person acquiring the real property -

(a) whether, for the purposes of section 1A, subsection (2) of that subsection applies, and

(b) whether, for the purposes of section 1B -

(i) subsection (2) of that section applies, and

(ii) either of the limitations in subsection (3) of that section apply,

and provisions of the Law, including sections 6 and 8, shall be construed accordingly."

Transitional relief.

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

(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 document duty paid and -

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

(b) for the purposes of section 1B of the 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 registration"** means -

(i) registration, within the transitional period, of a chargeable transaction which has been executed further to a qualifying agreement, or

(ii) registration, after the expiration of the transitional period, of a chargeable transaction -

(A) which has been executed further to a qualifying agreement, and

(B) where 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 3rd 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 31st December, 2022.
- (4) For the purposes of subsection (1) where subsection (2)(b) applies -
- (a) "**a qualifying registration**" means registration, within the transitional period, of a chargeable transaction, and
 - (b) "**the transitional period**" means the period commencing on 3rd 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 (Rates) (Amendment) Ordinance, 2022.

Commencement.

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