

Obtaining Clearance Certificates and Compliance with Australian Taxation Office Regulations

With the increase of foreign investment in Australia, withholding rules on property sales have been introduced.

All Vendors selling property for a market value of \$750,000.00 or above will need to obtain a clearance certificate from the Australian Tax Office and provide it to their conveyancer prior to settlement. If this certificate is not provided, the purchaser's conveyancer is obliged to hold back 12.5% of the purchase price to submit to the Australian Taxation Office. This ruling affects contracts entered into on or after, 1 July 2017.

The clearance certificates are available for download from the ATO's website and is a straightforward process. There is no fee payable for the certificate and we encourage all clients who are in the sale process to apply as early as possible.

The certificates are valid for 12 months and can be used for the sale of multiple properties during that 12-month period. Please note, the certificates are Vendor specific, so if a property is owned by two or more people, each individual Vendor will need to apply for their own certificate.

We welcome you to contact our office here at Tuckfields to determine whether a clearance certificate will be required to avoid any delay in settlement. You can also reach us at info@tuckfields.com.au

