

**Summary of main changes made in Contract for the Sale and Purchase of Land 2016 Edition
(from the 2014 Edition)**

ITEM	CHANGE	RATIONALE
Front page	New item "NSW Duty".	To facilitate the notation of the OSR reference number, which confirms that the contract has been assessed by OSR. In due course this will facilitate the removal of allocated (hand) stamps used in Electronic Duties Returns (EDR).
Page 2 – List of documents	Add to list of documents: <ul style="list-style-type: none"> • clearance certificate, under the new foreign resident capital gains withholding payment measure; • land tax certificate. • certificate of non-compliance under the <i>Swimming Pools Act 1992</i>; • detailed reasons of non-compliance under the <i>Swimming Pools Act 1992</i>; and 	Updated for the following legislative changes: <ul style="list-style-type: none"> • The new foreign resident capital gains withholding payment measure, commencing on 1 July 2016. • Legislative changes to the operation of land tax certificates expected to commence on 1 July 2016. For contracts completing in 14 days or less, the vendor must provide a land tax certificate on the date of exchange. For contracts completing in more than 14 days and contracts where no completion date agreed, the vendor must serve a land tax certificate at least 14 days before completion. The certificate need not be 'clear'. Provision of a 'clear' certificate is dealt with in clause 16.6. • The new certificate of non-compliance for swimming pools, introduced by regulations made in March 2016. Where a swimming pool is non-compliant, the vendor must attach the certificate of non-compliance to the contract from 29 April 2016. Disclosure of the detailed reasons for non-compliance is not mandatory, but its inclusion in the contract is encouraged.
Page 4, Warning 1	Updated Government departments, entities and utilities.	Currency.
Page 4, Warning 11	New warning 11 added.	To alert the parties to the new foreign resident capital gains withholding measure, which is due to commence on 1 July 2016. This measure will impact on conveyances where the sale price is \$2 million or more, even where the vendor is not a foreign resident. See the ATO website for more information in relation to the measure.

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<p>Clause 1 Definitions</p>	<p>New definitions have been inserted in relation to the new foreign resident capital gains withholding measure:</p> <ul style="list-style-type: none"> • clearance certificate • remittance amount • TA Act ; and • variation. 	<p>These new definitions are utilised in new clause 31 Foreign Resident Capital Gains Withholding.</p>
<p>Clause 1 Definitions</p>	<p>The definition of work order has been revised to expressly exclude notices under section 22E of the <i>Swimming Pools Act 1992</i> or clause 18B of the <i>Swimming Pools Regulation 2008</i>.</p>	<p>This change has been made for consistency with the intended operation of a certificate of non-compliance.</p>
<p>Clause 16.6 Completion</p>	<p>Minor amendment to clause 16.6.</p>	<p>Current practice is that a purchaser obtains a land tax certificate as part of post exchange enquiries. Legislative changes to the operation of land tax certificates (expected to commence on 1 July 2016) will mean that the vendor will usually obtain a land tax certificate and serve it on the purchaser. Clause 16.6 has been amended so that whether the certificate is obtained by the purchaser or the vendor, the vendor must give the purchaser a clear land tax certificate on completion.</p>
<p>Clause 16.7 Completion</p>	<p>Amendment of clause 16.7</p>	<p>This clause has been amended to allow for the purchaser to withhold any necessary payment under the foreign resident capital gains withholding measure and exclude that from the amount paid to the vendor on completion.</p>
<p>Clause 20.8 Miscellaneous</p>	<p>Minor amendment to clause 20.8.</p>	<p>This clause has been amended as some of the rights under clause 31 continue after completion, such as an obligation on the purchaser to provide the vendor with evidence of payment of the remittance amount to the ATO.</p>
<p>Clause 28.3 Unregistered plan</p>	<p>Minor amendment to clause 28.3.2.</p>	<p>This clause has been amended to provide for consistency with legislative changes made to a vendor's ability to rescind an off the plan contract, which commenced from 2 November 2015.</p>

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<p>Clause 30.11 Electronic transaction</p>	<p>Minor amendment to clause 30.11.3.</p>	<p>This clause has been amended to remove the need for a purchaser to produce a settlement cheque and forward it to the ATO after completion where settlement takes in place in the electronic workspace.</p>
<p>Clause 31 Foreign Resident Capital Gains Withholding</p>	<p>New clause 31.</p>	<p>This clause has been added in relation to the new withholding measure that is due to commence on 1 July 2016. The clause introduces a number of new obligations. For example, under the clause the purchaser is obliged to:</p> <ul style="list-style-type: none"> • complete a purchaser payment notification with the ATO and provide this to the vendor at least five days before the date for completion; and • produce a settlement cheque on completion for the remittance amount and forward this to the ATO immediately after completion. <p>The clause also stipulates that provided the purchaser complies with its requirements under the clause pre-completion, then the vendor cannot refuse to complete.</p> <p>To encourage parties to deal with the withholding obligation well before completion, the clause provides that the purchaser does not have to complete earlier than 7 days after receipt of any clearance certificate or variation.</p> <p>The clause also highlights the need for a clearance certificate to be provided for each named vendor under the contract.</p>