

**Summary of changes made in the Contract for the Sale and Purchase of Land 2016/17 Edition
(from the 2016 Edition)**

NOTE: The **2016/17 edition** is an interim update to take into account changes made to the rate and threshold of the [Foreign resident capital gains withholding measure](#) (“FRCGW”), expected to commence on 1 July 2017. The 2016/17 edition replaces the references to the FRCGW rate of 10% and the \$2 million threshold in the 2016 edition, with a more generic drafting approach. This allows the 2016/17 edition to be used for contracts entered into before or after the expected changes. The 2016/17 edition also excludes the adjustment of surcharge land tax.

A further edition, the **2017 edition**, is expected to be released in July/August 2017, to take account of likely changes to the *Conveyancing (Sale of Land) Regulation 2010*, due to commence on 1 September 2017. The 2017 edition will also include other legislative updates eg. strata legislation.

ITEM	CHANGE	RATIONALE
Page 4, Warning 11	Warning 11 in relation to the Foreign resident capital gains withholding measure has been amended to remove the reference to \$2million, and insert instead a generic reference to the legislative threshold from time to time.	To update the warning to take into account the expected change to the threshold from 1 July 2017 from \$2 million to \$750,000. The warning has been drafted in more generic terms to reflect the expected change to the threshold and any future changes to the legislated threshold amount. See section 14-215 of Schedule 1 to the <i>Taxation Administration Act 1953</i> .
Clause 1 Definitions	New definitions have been inserted in relation to the foreign resident capital gains withholding measure for: <ul style="list-style-type: none"> • “FRCGW percentage” and • “remittance amount”. 	These changes reflect a more generic drafting approach to the applicable FRCGW rate from time to time. This approach allows the 2016/17 edition to be used for contracts entered into before 1 July 2017 and contracts entered into on and from 1 July 2017. From 1 July 2017 the FRCGW rate is expected to increase from 10% to 12.5%. See the ATO website for further details of the expected changes.
Clause 14.4 Land tax adjustment	This clause has been revised to exclude surcharge land tax from any adjustment of land tax pursuant to clause 14.4.	If the contract specifies land tax will be adjusted, any amount payable by a vendor for surcharge land tax will be excluded from an adjustment of land tax. See the OSR website for further details regarding surcharge land tax.
Clause 20.11 Miscellaneous	This clause has been revised to expressly clarify that legislative references to percentages or rates include corresponding amended percentages or rates.	This will expressly capture future changes to legislative rates or percentages.
Clause 31 Foreign Resident Capital Gains Withholding	This clause has been revised to remove the reference to the commencement date of the FRCGW measure of 1 July 2016.	The reference is no longer necessary.