



Capital Gains Withholding Tax

College Chronicle
Newsletter

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Australian College
of Professionals

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Capital Gains Withholding Tax

This past fortnight at ACOP, we have had a few questions relating to Capital Gains Withholding Tax, which was legislation that was introduced in 2016. So as a reminder, we thought it timely to expand on this again.

In 2016, the Tax and Superannuation Laws Amendment (2015 Measures No. 6) Act 2016 (NO. 10, 2016) - Schedule 2, was introduced, which relates to the legislation where a purchaser has an obligation to withhold Capital Gains Tax on behalf of the vendor.

Under these laws the purchaser is obliged to comply with a foreign resident capital gains withholding payment obligation under either of

the two following circumstances:

1. Where the vendor is a foreign resident;

A vendor is treated as a foreign resident if the vendor does not provide the purchaser with either a valid:

- clearance certificate by the time of settlement, if they are disposing of an asset that requires a clearance certificate to be provided to avoid the withholding being imposed
- vendor declaration stating they are an Australian resident, when asked to do so by the purchaser with respect to a transaction involving an asset for which a vendor declaration can be used to avoid the withholding being imposed



and/or

2. Where the market value of the property is \$750,000 or more, (even if the vendor is not a foreign resident).

Unless the vendor supplies a clearance certificate from the Australian Taxation Office, the purchaser is required to withhold 12.5% of the sale price (a non-final capital gains tax contribution) at settlement.

The ATO also note that should the 12.5% that is withheld be more than the required Capital gains tax liability; the vendor may be able to claim a discount on their tax return when the capital gains liability is assessed.

The types of taxable Australian

property this law applies to include vacant land, buildings, residential and commercial property, leaseholds and strata title schemes.

What this means for agents is that you should be prompting the vendor to discuss this issue with their solicitor when they request for the preparation of a Contract for the Sale and Purchase of Land. Whilst it is not your role as an agent to provide any level of advice around this issue, it is certainly good agency practice to mention to all vendors, whether they are foreign residents or not, so that they can discuss this issue with their solicitor/conveyancer and be prepared for settlement. The clearance certificate does not need to be provided until settlement,

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however the non-provision of the clearance certificate could definitely delay settlement if the appropriate clearance certificate or vendor declaration is not provided at the time of settlement.

In some cases where a clearance certificate has not been provided, the vendor may wish to postpone

settlement, to avoid the purchaser withholding 12.5% of the purchase price and paying it to the Australian Taxation Office. In such scenarios, the terms of the contract will apply as normal for delays at settlement.

Rosy Sullivan
Director | College Principal



This busy role will see you working directly with the College Principal completing daily operational activities to ensure everything runs smoothly, which includes record keeping, client liaison and making sure that the RTO is compliant at all times. You will be ensuring that administrative processes are accurate and completed within set timeframes.

Essential Requirements

- ◆ Demonstrated superior interpersonal skills and experience in communication, (both oral and written) including emails, telephone calls and correspondence
- ◆ High level organisational skills, attention to detail and time management.
- ◆ Advanced computer literacy in Microsoft programs (Outlook/Word/Excel/PowerPoint)
- ◆ Demonstrated capacity to work in a high-volume, multi-disciplinary environment, both as part of a team and independently
- ◆ Ability to maintain strong relationships
- ◆ Ability to adapt to change and manage complex systems
- ◆ Demonstrated energetic approach to work

- ◆ Ability to present a positive corporate image to the public
- ◆ Ability to follow policies and procedures and keep accurate documentation
- ◆ Business development and liaison with existing and new student prospects
- ◆ Commitment to, and a capacity to implement WHS and EEO legislation
- ◆ Accurate data entry skills
- ◆ Excellent customer service skills

Desirable Requirements (beneficial but not essential)

- ◆ Experience in the property industry

- ◆ Previous RTO administration experience
- ◆ Knowledge and skills for maintaining compliance
- ◆ Understanding of VET Quality Framework

For additional information about the position, [click here](#)

Please submit applications, addressing your experience in relation to the position requirements to Megan Gravas, Compliance Manager at megans@acop.edu.au

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UPCOMING CERTIFICATE OF REGISTRATION FACE TO FACE COURSES

ASSISTANT AGENT - CERTIFICATE OF REGISTRATION

Real Estate and Stock & Station Sydney CBD	7TH -10TH JUNE
Real Estate and Stock & Station Parramatta	19TH -22ND JULY

Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV in Real Estate Practice.

Strata Management Sydney CBD	21ST -24TH JUN
Strata Management Sydney CBD	16TH -19TH AUG

Units taken from nationally accredited training qualifications from the CPP40516 Certificate IV in Strata Community Management.



From the office

And the trainers from ACOP are out and about again. Dubbo, Castle Hill, Liverpool, Manly and Mosman – what a fortnight.

Not only are the trainers running CPD classes and licensing courses, we are also conducting many compliance audits for agencies to support them in being as compliant as they can be. From Strata Management licensing programs, to Trust Accounting and the Class 1 upgrade course of the Diploma of Property (Agency Management) – we're excited to be back in front of our students and making a difference. Our Business Development Manager, Martin has been travelling through the far west of our State in Bathurst, Orange, Molong, Wellington, Dubbo, Naromine and Gilgandra. He certainly met with many of our students and assisted them in planning their training for the year ahead. Our College Principal

Rosy, also presented at the Raine & Horne Property Management Retreat in the Hunter Valley last Friday, and explored legislation and compliance matters with sixty five (65) fabulous property managers.

Of great excitement over the past fortnight was the arrival of Taylor Swift in our office. Oh ok, so it wasn't the REAL Taylor....but it was a life-size cardboard cut-out of Taylor. Delivered by our wonderful account rep. Luke from SmoothFM – it made Ryan's day. Needless to say that Ryan is a die-hard fan of Taylor and his excitement was boundless (and very loud). This excitement, combined with the new birthday socks from the previous week for Ryan, Tilly and Linh (and who doesn't love some good dolphin socks) have been sighted around the office this week.

Unfortunately, no cakes this fortnight, but let's see what we can do next fortnight to rectify that issue.

UPCOMING LICENCE FACE TO FACE COURSES

PROPERTY LICENSING

Commercial Sales & Leasing SYDNEY CBD	3 RD - 4 TH JUN
Property Sales SYDNEY CBD	29 TH JUN - 1 ST JUL
Stock & Station Agency Practices SYDNEY CBD	31 ST MAY - 2 ND JUN
Strata Management Agency Practices SYDNEY CBD	15 TH - 17 TH JUN
Auctioneering SYDNEY CBD	15 TH - 16 TH JUL
Property Mgmt Business Development & NCAT SYDNEY CBD	28 TH - 29 TH JUL

PROPERTY LICENSING

Financial Management (Strata) SYDNEY CBD	13 TH - 14 TH JUL
Trust Accounting + Insurance SYDNEY CBD	FRI 18 TH JUN
Trust Accounting SYDNEY CBD	24 TH - 25 TH MAY
Property Management SYDNEY CBD	26 TH - 28 TH MAY
Business Broking SYDNEY CBD	30 TH - 31 ST AUG

Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV Real Estate Practice and CPP40516 Certificate IV in Strata Community Management.

UPCOMING FINANCE & MORTGAGE BROKING FACE TO FACE COURSES

Certificate IV in Finance & Mortgage Broking SYDNEY CBD	9 TH - 11 TH AUGUST
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Diploma of Finance & Mortgage Broking Management <i>(Upgrade Program - Must hold Certificate IV in Finance & Mortgage Broking)</i> SYDNEY CBD	20 TH - 21 ST MAY
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Units taken from nationally accredited training qualifications from the FNS Financial Services Training Package.

UPCOMING DIPLOMA OF PROPERTY (AGENCY MANAGEMENT) WEBINARS

Manage teams in the property industry	25 TH MAY	Manage compliance in the property industry	22 ND JUNE
Manage people performance	8 TH JUNE	Manage customer service activities in the property industry	6 TH JULY

Units taken from nationally accredited training qualifications from the CPP51119 - Diploma of Property (Agency Management).

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