

Updates to standard REIQ property sale contracts

Commercial Land and
Buildings (7th edition)

June-July 2018

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Table summarising changes to appear in the Contract for Commercial Land and Buildings (7th edition)

Reference Schedule

New part added to Reference Schedule
(under "GST TABLE")

GST WITHHOLDING OBLIGATIONS

Buyer Warranty

Is the Buyer registered for GST and acquiring the Land for a creditable purpose?

(select whichever is applicable)

Yes

No

[Note: If the Buyer selects [No] the Seller may be required to give a notice under section 14-255 of the Withholding Law prior to settlement.]

WARNING: the Buyer warrants in clause 4.5 that this information is true and correct.

Amendments to Signature panel:

Under "Witness" signature for **both Buyer and Seller**, add:

[Note: No witness is required if the [Buyer/Seller] signs using an Electronic Signature]

Under the Buyer signature panel, add:

"By signing this contract I warrant that I am the Buyer named in the Reference Schedule or authorised by the Buyer to sign."

Under the Seller signature panel, add:

"By signing this contract I warrant that I am the Seller named in the Reference Schedule or authorised by the Seller to sign."

Footer of document, add:

"(Note: Initials not required if signed with Electronic Signature)"

Definitions

New definitions added:

- (b) “**ATO**” means the Australian Taxation Office;
- (n) “**Electronic Signature**” means an electronic method of signing that identifies the person and indicates their intention to sign the contract;
- (u) “**GST Withholding Amount**” means the amount (if any) determined under section 14-250 of the Withholding Law required to be paid to the Commissioner of Taxation.

Definition amended as underlined:

“**CGT Withholding Amount**” means the amount determined under section 14-200(3)(a) of the Withholding Law or, if a copy is provided to the Buyer prior to settlement, a lesser amount specified in a variation notice under section 14-235;

Clause 4.2 amended

6th edition:	7th edition:
(c) for clause 4.1, the Seller irrevocably directs the Buyer to draw a bank cheque for the CGT Withholding Amount in favour of the Deputy Commissioner of Taxation or, if the Buyer’s Solicitor requests, the Buyer’s Solicitor’s Trust Account;	(c) for clause 4.1, the Seller irrevocably directs the Buyer to draw a bank cheque for the CGT Withholding Amount in favour of the Deputy Commissioner of Taxation or, if the Buyer’s Solicitor requests, the Buyer’s Solicitor’s Trust Account;
(d) the Buyer must lodge a <i>Foreign Resident Capital Gains Withholding Purchaser Notification Form</i> with the Australian Taxation Office for each person comprising the Buyer and give copies to the Seller with the payment reference numbers (PRN) on or before settlement;	(d) the Buyer must lodge a <i>Foreign Resident Capital Gains Withholding Purchaser Notification Form</i> with the Australian Taxation Office <u>ATO</u> for each person comprising the Buyer and give copies to the Seller with the payment reference numbers (PRN) on or before settlement;
(f) the Buyer must pay the CGT Withholding Amount to the Commissioner in accordance with section 14-200 of the Withholding Law and give the Seller evidence that it has done so within 2 Business Days of settlement occurring;	(f) the Buyer must pay the CGT Withholding Amount to the <u>ATO</u> Commissioner in accordance with <u>section</u> 14-200 of the Withholding Law and give the Seller evidence that it has done so within 2 Business Days of settlement occurring;

Clause 4.3 amended

6th edition:	7th edition:
(4) For clause 4.2 and s 14-215 of the Withholding Law, the market value of the CGT asset is taken to be the Purchase Price less any GST included in the Purchase Price for which the Buyer is entitled to an input tax credit unless ...	(4) For clause 4.2 and <u>section</u> 14-215 of the Withholding Law, the market value of the CGT asset is taken to be the Purchase Price less any GST included in the Purchase Price for which the Buyer is entitled to an input tax credit unless ...

New clauses 4.4 and 4.5 added

- 4.4 If the Buyer is required to pay the GST Withholding Amount to the Commissioner of Taxation at settlement pursuant to section 14-250 of the Withholding Law:
- (a) the Seller must give the Buyer a notice in accordance with section 14-255(1) of the Withholding Law;
 - (b) prior to settlement the Buyer must lodge with the ATO:
 - (i) a *GST Property Settlement Withholding Notification* form ("Form 1"); and
 - (ii) a *GST Property Settlement Date Confirmation* form ("Form 2");
 - (c) on or before settlement, the Buyer must give the Seller copies of:
 - (i) the Form 1;
 - (ii) confirmation from the ATO that the Form 1 has been lodged specifying the Buyer's lodgement reference number and payment reference number;
 - (iii) confirmation from the ATO that the Form 2 has been lodged; and
 - (iv) a completed ATO payment slip for the Withholding Amount.
 - (d) the Seller irrevocably directs the Buyer to draw a bank cheque for the GST Withholding Amount in favour of the Commissioner of Taxation and deliver it to the Seller at settlement; and
 - (e) the Seller must pay the GST Withholding Amount to the ATO in compliance with section 14-250 of the Withholding Law promptly after settlement.
- 4.5 The Buyer warrants that the statements made by the Buyer in the Reference Schedule under GST Withholding Obligations are true and correct.

Clause 20 amended

6th edition:

20.1 The Buyer may terminate this contract by notice to the Seller if there is an outstanding notice at the Contract Date under sections 246AG, 247 or 248 of the *Building Act 1975* or sections 588 or 590 of the *Sustainable Planning Act 2009* that affects the Property.

7th edition:

20.1 The Buyer may terminate this contract by notice to the Seller if there is an outstanding notice at the Contract Date under sections 246AG, 247 or 248 of the *Building Act 1975* or sections ~~588~~ 167 or ~~590~~168 of the ~~*Sustainable Planning Act 2009*~~ *2016* that affects the Property.

Clause 21.1(e) inserted

- (e) there is an outstanding condition of a development approval attaching to the Land under section 73 of the *Planning Act 2016* or section 96 of the *Economic Development Queensland Act 2012* which, if complied with, would constitute a material mistake or error as to the Seller's title to the Property;

Clause 27 Notices amended and inserted

6th edition:	7th edition:
<p>27.1 Notices under this contract must be in writing and may be given by a party's solicitor.</p>	<p>27.1 Notices under this contract must be in writing. and may be given by a party's solicitor</p>
	<p>27.2 Notices under this contract or notices required to be given by law may be given and received by the party's solicitor.</p>
<p>27.2 Notices may be given by:</p> <p>(a) delivering or posting to the other party or its solicitor; or</p> <p>(b) sending to the facsimile number or email address of the other party or its solicitor stated in the Reference Schedule or another facsimile number or email address specified in a notice given by the recipient to the sender.</p> <p>[Note: Whilst notices under this Contract may be sent by email they are not 'given' until they are capable of being retrieved by the addressee at the nominated email address in accordance with s 24 of the <i>Electronic Transactions (Queensland) Act 2001</i>]</p>	<p>27.3 Notices may be given by: <u>Notices under this contract or required to be given by law</u> may be given by:</p> <p>(a) delivering or posting to the other party or its solicitor; or</p> <p>(b) sending <u>it</u> to the facsimile number or email address of the other party or its solicitor stated in the Reference Schedule (or another facsimile number or email address specified in a notice given notified by the recipient to the sender); <u>or</u></p> <p>(c) <u>sending it to the email address of the other party or its solicitor stated in the Reference Schedule (or another email address notified by the recipient to the sender).</u></p> <p>[Note: Whilst notices under this Contract may be sent by email they are not 'given' until they are capable of being retrieved by the addressee at the nominated email address in accordance with s 24 of the <i>Electronic Transactions (Queensland) Act 2001</i>]</p>
<p>27.3 Posted notices will be treated as given 3 Business Days after posting.</p>	<p>(3) Posted notices will be treated as given 3 Business Days after posting.</p>
<p>27.4 Notices sent by facsimile will be treated as given when the sender obtains a clear transmission report.</p>	<p>27.4 Notices sent by facsimile will be treated as given when the sender obtains a clear transmission report. <u>Subject to clause 27.5, a notice given after this contract is entered into in accordance with clause 27.3 will be treated as given:</u></p> <p>(a) <u>5 Business Days after posting;</u></p> <p>(b) <u>if sent by facsimile, at the time indicated on a clear transmission report; and</u></p> <p>(c) <u>if sent by email, at the time it is sent.</u></p>

<p>(5) Notices given after 5pm will be treated as given on the next Business Day.</p>	<p>27.5 Notices given after 5pm will be treated as given on the next Business Day. <u>Notices given by facsimile, by personal delivery or by email between 5pm on a Business Day (the "first Business Day") and 9am on the next Business Day (the "second Business Day") will be treated as given or delivered at 9am on the second Business Day.</u></p>
<p>(6) Notices or other written communications by a party's solicitor (for example, varying the Inspection Date, Finance Date or Settlement Date) will be treated as given with that party's authority.</p>	<p>27.6 Notices or other written communications by a party's solicitor (for example, varying the Inspection Date, Finance Date or Settlement Date) will be treated as given with that party's authority. <u>If two or more notices are treated as given at the same time under clause 27.5, they will be treated as given in the order in which they were sent or delivered.</u></p>
	<p>27.7 <u>Notices or other written communications by a party's solicitor (for example, varying the Inspection Date, Finance Date or Settlement Date) will be treated as given with that party's authority.</u></p>
	<p>27.8 <u>For the purposes of clause 27.3(c) and clause 36.2 the notice or information may be contained within an email, as an attachment to an email or located in an electronic repository accessible by the recipient by clicking a link in an email.</u></p>

New clause 36 Electronic Contract and Disclosure inserted

36. Electronic Contract and Disclosure

36.1 Electronic Signing

If this contract is signed by any person using an Electronic Signature, the Buyer and the Seller:

- (a) agree to enter into this contract in electronic form; and
- (b) consent to either or both parties signing the contract using an Electronic Signature.

36.2 Pre-contract Disclosure

The Buyer consents to the Seller's use of electronic communication to give any notice or information required by law to be given to the Buyer and which was given before the Buyer signed this contract.

New clause 37 Counterparts inserted

6th edition:

7th edition:

- (1) This contract may be executed in two or more counterparts, all of which will together be deemed to constitute one and the same contract.
- (2) A counterpart may be electronic and signed using an Electronic Signature.