

## REFORM TO STAMP DUTY IN WESTERN AUSTRALIA PART 3 – BUSINESS ACQUISITIONS

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The Duties Act which takes effect from 1 July 2008 continues to apply duty to business sale contracts signed from that date. The good news is that from 1 July 2010, dutiable transactions involving business acquisitions are due to be abolished.

Under the Duties Act, the purchase of Western Australian business assets may incur duty liability. A business asset includes goodwill, restraint of trade arrangements, business identities, business licences, supply or service rights for a business, intellectual property and things in the nature of rent rolls or client lists.

Some more good news is that the Duties Act excludes duty on certain transactions, including the grant of a franchise and the transfer of intellectual property alone (without other dutiable transactions), though care should be taken in relying on those exclusions.

Concessional duty assessments may be available to purchasers of smaller businesses. The office of state revenue website has more information that may assist – [www.osr.wa.gov.au](http://www.osr.wa.gov.au).

Purchasers of a business or even a part of a business should consider the duty implications before signing a contract. We recommend purchasers seek independent legal advice before buying a business, to ensure they are properly protected.

This is general information only, and does not constitute specific legal advice. If you would like further information in relation to this matter or other legal matters please contact our office at [reception@hhg.com.au](mailto:reception@hhg.com.au).

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