

WILL I PAY TRANSFER DUTY OR VAT ON THE PURCHASE PRICE OF MY PROPERTY?

Is the property used for a commercial purpose?

Yes

No

Is the Seller a VAT vendor?

Transfer duty is payable

Yes

No

Is the Purchaser a VAT vendor?

Vat is payable

Transfer duty is payable

Yes

No

Is the Purchaser a VAT vendor?

If he uses the property as part of his VAT registered enterprise, then he may be able to claim back VAT calculated on the purchase price at 15% as notional tax input.

END

No

Yes

END

What is the nature of the transaction? Is it a straight property sale, or is the property part of a going concern that will continue past date of registration of transfer?

If the transaction is just a property sale, then the Purchaser pays VAT at 15% and if after transfer he uses the property for the purposes of his VAT registered enterprise, he may be able to claim back the VAT as input tax.

If the property is part of a going concern at time of sale, and will continue to be so after date of transfer, then VAT is payable at 0% (i.e.: the transaction is zero rated).

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ATTORNEYS