

Land Transaction Tax

Last reviewed: January 2025

Purpose

The Taxation (Land Transactions) (Jersey) Law 2009 (the **Law**) imposes Land Transactions Tax (**LTT**) on certain types of transaction that confer 'rights of occupation of land in Jersey'. 'Land' is defined as a unit of dwelling accommodation.

Why?

The Law achieves parity of treatment between freehold residential and (most) share transfer transactions relating to residential properties by placing a legal obligation on the buyer of a property by share transfer to pay a tax equal to the stamp duty that would be payable on a freehold purchase.

How does this affect me?

The Law is aimed at the share transfer of residential properties where the shares in the company give the owner of those shares a right to occupy that property. So, a typical example would be, a buyer borrowing money to buy a share transfer apartment to live in. LTT is payable on the transfer of shares to acquire the right to occupy that apartment and on the secured loan.

More specifically, the transactions that are subject to LTT fall into three categories:

1. The transfer to a person of any share, ownership of which, by virtue of the articles of association of the company in which the share is held, confers a right of occupation of land in Jersey.
2. A declaration that a share (as described in 1 above) is held on trust for the benefit of a person or an amendment to such a declaration substituting the person for whose benefit the share is held.
3. The creation of a security interest pursuant to a security agreement in any share described in 1 above.

The phrase 'right of occupation' is not defined in the Land Transactions Law, however the Land Transactions Law has been drafted in a way to specifically exclude any transactions of shares in companies where no right of occupation of land occurs as a result. Furthermore, in determining whether a right of occupation is conferred, any lease or tenancy or other interest in the land to which the right of occupation is subject and any restriction or requirement of the Control of Housing and Work (Jersey) Law 2012 in Jersey is disregarded.

How much will I have to pay?

LTT is calculated on the same basis as stamp duty is calculated under the Stamp Duty Law, which is on a sliding scale, dependent upon the value of the property (but in this case this will be the value of the shares).

Higher rate

If you are buying a property to use as anything other than your main residence you must pay the higher rate of an additional 3% implemented from 1 January 2003.

Please see our guide on [Stamp Duty, LTT and EPT in Jersey](#).

There are various concessions and exceptions including first time buyer's relief, the transfer of the matrimonial home from sole ownership into joint ownership and vice versa, acquisitions by charities and the devolution on intestacy of a deceased's estate.

We will advise on each such situation and where necessary seek any applicable concession or necessary clarification.

How does the Comptroller of Taxes know when a transaction has taken place?

In a case where the transaction confers a right of occupation of land, the Land Transactions Law places a duty on the person who acquires the right to declare the transaction and pay the LTT.

In the case of transactions which are security interests (loans secured against shares), it is the lender who must declare the transaction and pay the LTT. The Comptroller produces a LTT receipt.

Failure to make a declaration to the Comptroller, failure to pay LTT and knowingly making a false or misleading statement are each offences created under the Land Transactions Law, all of which may be dealt with by fine or even prison sentence. It is therefore essential to notify the Comptroller in cases where LTT is payable.

LTT must be paid within 28 days following the transaction or else a surcharge of 10 per cent of the LTT due will be added. In practice, LTT is paid at completion as unless payment of LTT can be evidenced, the new share certificate will not be released.

The Land Transactions Law amended the Companies (Jersey) Law 1991 in order to prevent a company registering an instrument of transfer of shares affected by the Land Transactions Law, until a receipt of payment of LTT has been produced to the company. Failure to do so is an offence, the penalty for which is a fine for the company and every officer of the company in default.

Contacts

A full list of contacts can be found [here](#).