

STATES OF ALDERNEY



BILLET D'ETAT NO 2

WEDNESDAY 16TH SEPTEMBER 2015

STATES OF ALDERNEY

BILLET D'ETAT NO 2

FOR WEDNESDAY 16TH SEPTEMBER 2015

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5:30 pm on Wednesday 16th September 2015. This will be preceded by the People's Meeting, which will be held on Wednesday 9th September 2015 at 7:00 pm in the Island Hall.

W Stuart Trought
President

BILLET D'ETAT NO 2

Item I Amendment to the Duty on Long Leases (Alderney) Law, 1994

The following letter was received from Mr Harvey, Chairman of the Policy & Finance Committee:-

"At the Policy and Finance Committee meeting of 23rd March 2015, it was brought to the attention of the Committee that when the Alderney Housing Association Partial Ownership scheme is launched, due to the leases being for a term of 125 years they will be required to be registered and therefore become liable for leasehold duty on the premium paid.

The Alderney Housing Association has advised that if Partial Ownership First Time Buyers were to purchase 50% of a property worth £200,000 they would be liable for 4% conge on the part they are purchasing which would equate to £4,000 plus the registration fee of 0.05% as the lease will be over 21 years.

It was noted that if the Partial Ownership scheme was a States of Alderney scheme the transaction would not be liable for leasehold duty as it would be exempt under section 14 of the "Duty on Long Leases (Alderney) Law, 1994" (the Law). Without exemption status it was considered that first time buyers may struggle to pay the duty, obtain a deposit and pay legal fees.

Under section 15 (e) of the Law the States may by Ordinance amend section 14 of the Law (which relates to Exempt dealings) by adding to the list of exempt dealings. The Committee resolved at its meeting of 23rd March that whilst they were sympathetic to the request from the Alderney Housing Association to be classified as exempt under the Law, they agreed that in the first instance, prior to consideration of approving an ordinance, that enquiries be carried out by the Alderney Housing Association with the States of Guernsey regarding the exemption of payment of (Guernsey) document duty.

At the Policy and Finance Committee meeting of the 28th April 2015 the Committee were advised that the States of Guernsey had been approached by the Alderney Housing Authority regarding the exemption of document duty. The Committee therefore resolved that an ordinance be drafted by the Law Officers Chambers to make an amendment to section 14 of the 'Duty on Long Leases (Alderney) Law, 1994' so that leases granted by a housing scheme are classified as exempt under the Law.

I would be grateful if you would place "The Duty on Long Leases (Exempt Dealings) (Alderney) Ordinance, 2015" before the next meeting of the States of Alderney with an appropriate proposition.

*Mr N Harvey
Chairman"*

The States of Alderney is asked to approve "The Duty on Long Leases (Exempt Dealings) (Alderney) Ordinance, 2015"

Issued: 8th September 2015