



## Clearance Certificates Now Apply to All Properties

A clearance certificate is now required to sell any real estate in Australia. If you do not provide one, 15% of the sale price will be withheld at settlement and sent to the ATO. You can make the application yourself on the ATO web site here <https://www.ato.gov.au/single-page-applications/frwt-certificate#applicationtype> Be careful to use this link, not google or you risk being sent to sites that will charge you \$99 to fill out basically the same form. The ATO application process is free.

You will only qualify for a clearance certificate from the ATO if you are an Australian resident for tax purposes. If 15% of the sale price is withheld, you can have it refunded by lodging an Australian tax return declaring the capital gain on the property.

If you have only just moved overseas to live, you probably won't qualify for a clearance certificate. This is the case even though you may be selling the home you lived in in Australia while you were a resident. A now tax resident of another country is not entitled to utilise their main residence exemption for any of the time they lived in Australia, if by the time they sign the contract to sell their home, they have moved overseas. That is all it could take, poor timing and a home you may have lived in for 30 years will be subject to CGT right back to the day you purchased it. These withholding requirements will make sure no one slips under the radar, part of the application form asks about a change to your residency.

Further Reading:

<https://www.bantacs.com.au/Jblog/expats-beware/#more-398>

Spreadsheet to work out the Capital Gain:

<https://www.bantacs.com.au/shop-2/protecting-your-home-from-cgt/>