

Guidelines on the Second-Time Buyers Scheme

These guidelines are issued under Article 22A (2) of the Duty on Documents and Transfers Act ([Cap. 364](#)). The purpose of these guidelines is to provide an explanation of the *Duty on the Acquisition of the Second Immovable Property to be used as Sole Residence (Exemption) Order* ([SL 364.17](#)).

General Terms and Conditions to qualify for the benefit:

Where an individual transfers his residential immovable property (replaced property) and acquires another residential immovable property (replacement property) within 12 months from the date of transfer of the replaced property, the duty paid on the first €86,000 of the value of the replacement property shall be refunded.

This scheme applies to acquisitions made from the 10th October 2017 up to the 31st December 2020, where the notice required under Article 51 of the Duty on Documents and Transfers Act (hereinafter referred to as the 'DDTA') has been submitted to the Commissioner for Revenue on or before the 28th February 2021.

All the following conditions are to be satisfied:

- a) the transfer of the replaced property must qualify for tax relief under article 5A(4)(c) of the Income Tax Act;
- b) the replaced property must have been acquired by way of a transfer that qualified for the 3.5% rate under article 32(4)(a) of the DDTA;
- c) the acquisition of the replacement property must qualify for the 3.5% rate under article 32(4)(a) of the DDTA. Acquisitions by donation in accordance with rule 3(2) of the Duty on Documents and Transfers Rules are excluded from the STB scheme;
- d) if the replaced property had qualified for the first-time buyers' scheme or was a first-time donation under article 32C of the DDTA, five (5) years must have elapsed on the date of acquisition of the replacement property;
- e) the individual must not have owned any other residential immovable property acquired through a transfer inter vivos before the acquisition of the replacement property, other than the replaced property. "Residential immovable property" also includes a plot or airspace;
- f) the transfer of the replaced property must be made within 12 months from the acquisition of the replacement property.¹

The STB scheme applies to acquisitions made from 1st January 2017 up to the 31st December 2020 in the following cases:

¹ Article 2 of SL 364.17.

- i) In the case of persons who are on the Register of Persons with Disability and who are in possession of an ID card issued by the Commission for the Rights of Persons with Disability, and who benefit from any Disability Assistance in terms of article 27 of the Social Security Act. In such a case, the duty paid on the first €150,000 of the value of the replacement property will be refunded.²
- ii) Duty on the first €150,000 of the value of the replacement property will also be refunded to guardians of persons who are on the Register of Persons with Disability, who reside in the same household and who are in possession of an ID card issued by the Commission for the Rights of Persons with Disability, and who benefit from any Disability Assistance in terms of article 27 of the Social Security Act, or from a Disabled Child Allowance according to article 77 of the same Act.³

In the above two cases, a request for refund should be accompanied by an occupational therapist's report establishing that the replaced property is not adequate for the disabled person.

This benefit applies on a *pro rata* basis according to the share of the property being acquired.

Claims for refund of duty under this scheme are to be made in writing within 6 months from the date of the last contract.

Last updated: 7th May 2020

² Article 3 of SL 364.17.

³ Article 4 of SL 364.17.