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Public Ruling General:

ADMINISTRATIVE ARRANGEMENT— EXEMPTION FROM AFAD AND LAND TAX FOREIGN SURCHARGE FOR RESIDENTIAL LAND DEVELOPERS

A public ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a public ruling, the change in the law overrides the public ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this ruling is about

1. This public ruling sets out the terms of an administrative arrangement that enables the Commissioner to administer the *Duties Act 2001* (Duties Act) to provide an exemption from additional foreign acquirer duty (AFAD) and the *Land Tax Act 2010* (Land Tax Act) to provide an exemption from the land tax foreign surcharge (LTFS) for residential land developers undertaking residential land development.
2. The administrative arrangement applies where the liability for transfer duty arises on or after 15 December 2025 or the liability for land tax arises on or after 30 June 2026.
3. The Duties Act imposes transfer duty, landholder duty and corporate trustee duty on certain transactions involving land in Queensland, unless an exemption applies. Where the acquirer under the transaction is a foreign person¹ and the land is AFAD residential land², an additional amount of duty (additional foreign acquirer duty) is imposed. Similarly, under the Land Tax Act, owners of land that are foreign companies or trustees of foreign trusts³ are subject to a surcharge rate of land tax (land tax foreign surcharge)⁴ on the taxable value of their taxable land, in addition to the general rate of tax that applies to all companies and trustees that are liable for land tax.

¹ Section 240 of the Duties Act

² Section 232 of the Duties Act and [Public Ruling DA232.1](#) AFAD residential land

³ For information about foreign companies and trustees of foreign trusts, refer to [Public Ruling LTA000.3](#) Foreign corporations and foreign trusts—interests of foreign persons and foreign trusts.

⁴ Section 32(1)(b) of the Land Tax Act

4. On 15 December 2025, as part of the 2025-26 Mid-Year Fiscal and Economic Review, the Queensland Government announced reforms to relief arrangements for additional foreign acquirer duty (AFAD) and the land tax foreign surcharge (LTFS) (MYFER reforms). The reforms include changes to eligibility criteria, expansion of corporate tracing rules and introduction of a pre-approval process.
5. On 14 December 2025, the Treasurer, Minister for Energy and Minister for Home Ownership approved an administrative arrangement to enable an exemption from AFAD and LTFS to be provided for certain property developers undertaking residential housing development, in accordance with the MYFER reforms.
6. This administrative arrangement establishes the basis for administration of exemptions under the Duties Act and the Land Tax Act by the Commissioner (or his delegates) and sets out the eligibility conditions for the exemptions.⁵

Ruling and explanation

Defined terms

7. The following definitions apply for the purpose of the administrative arrangement.
 - (a) *Corporate group*, see paragraph 22.
 - (b) *Employees* do not include contractors or non-executive directors (e.g. independent or external directors who are members of the board of directors, but not members of the executive management team).
 - (c) *Entity* means an individual or company registered under the *Corporations Act 2001* (Cwlth) (Corporations Act).
 - (d) *Group entity*, see paragraph 23.
 - (e) *Issued shares* mean shares that give the holder an entitlement as a shareholder to a distribution of the entity's property on its winding up.
 - (f) *Lot* may include individual dwellings that are independently habitable by a single family unit and is not limited to the meaning of a lot under the *Land Title Act 1994*.
 - (g) *LTFS is not imposed* means the surcharge rate provided for under Schedule 2, Part 2 does not apply—for the purpose of determining the applicable rate of land tax under s.32(1)(b) of the Land Tax Act.
 - (h) *Large developer* means an entity, or a relevant corporate group, that undertakes development or redevelopment of 20 or more residential lots in Queensland in a relevant 12-month period (summing period), including the land the subject of the exemption. In determining whether 20 or more residential lots have been developed or redeveloped, averaging for up to 5 consecutive financial years is permitted (averaging period).

⁵ The administrative arrangement will be supported by guidelines that outline certain operational aspects of the exemptions (Guidelines for administration), as approved by the Commissioner.

- (i) *Notifiable event* for the AFAD exemption means:
- (i) the entity, or a group entity, ceasing to be a group entity of the corporate group, where corporate group tracing has been applied
 - (ii) the entity—or relevant group entity where corporate group tracing has been applied—no longer satisfies the Australian-based requirements
 - (iii) non-compliance with Foreign Investment Review Board requirements or conditions by the entity for land the subject of the exemption
 - (iv) non-compliance with regulatory requirements by the entity or the relevant group entities
 - (v) where an AFAD exemption is applied—if the land the subject of the exemption, or part of the land, is
 - A. no longer used by the entity or a relevant group entity for residential development or redevelopment
 - or
 - B. sold, transferred or surrendered before the development or redevelopment of 20 or more residential lots by the entity or a relevant group entity
 - (vi) any other material change in circumstances that may affect eligibility for the AFAD exemption.
- (j) *Notifiable event* for the LTFS exemption means:
- (i) the entity, or a group entity, ceasing to be a group entity of the corporate group, where corporate group tracing has been applied
 - (ii) the entity—or relevant group entity where corporate group tracing has been applied—no longer satisfies the Australian-based requirements
 - (iii) non-compliance with Foreign Investment Review Board requirements or conditions by the entity for land the subject of the exemption
 - (iv) non-compliance with regulatory requirements by the entity or the relevant group entities
 - (v) where an LTFS exemption is applied on the basis of a pre-approval
 - A. if the land the subject of the exemption is no longer used by the entity or a relevant group entity for residential development or redevelopment
 - or
 - B. if the requirement in paragraph 10(c) is no longer satisfied
 - (vi) where land has been deemed to be used for development or redevelopment activity under paragraph 11 and an LTFS exemption has been applied on that

basis—if development or redevelopment activity does not occur on the land by 30 June of the second financial year

- (vii) any other material change in circumstances that may affect eligibility for the LTFS exemption.
- (k) *Parent entity* means an entity that directly owns at least 90% of the issued shares in and has voting control over another entity.
- (l) *Qualifying development* means AFAD residential land that is acquired for the purposes of undertaking a development or re-development of 20 or more residential lots in Queensland, and the development is primarily residential.
- (m) *Relevant 12-month period* is a 12-month period that includes the date the liability for transfer duty arises for the land the subject of the exemption, or one of the years for which an LTFS exemption is sought.⁶
- (n) *Relevant corporate group*, see paragraph 21.
- (o) *Relevant group entity* means the particular group entity (or group entities) within the corporate group, the circumstances and activities of which satisfy the 'large developer' or the Australian-based requirements for the purposes of corporate group tracing.
- (p) *Subsidiary* is an entity (the first entity) if another entity directly owns at least 90% of the issued shares in and has voting control over the first entity.
- (q) *Voting control*, for an entity that is a company, means being in a position to cast (or control the casting of) 90% or more of the maximum votes that can be cast at a general meeting of the company other than under a debenture or trust deed securing the issue of a debenture.

Duties Act AFAD exemption

8. AFAD is not imposed on a relevant transaction if the transaction is a transfer, or agreement for the transfer, of AFAD residential land and, when the liability for transfer duty arises:
 - (a) the entity requirements are satisfied
 - and
 - (b) either
 - (i) the AFAD residential land is a qualifying development
 - or
 - (ii) the entity, or the relevant corporate group of which the entity is a group entity, is a large developer.

⁶ See paragraph 10(c).

9. An entity is not eligible for the AFAD exemption for a relevant transaction if the amount of AFAD on the transaction has been calculated under Chapter 4, Part 4AA of the Duties Act (Concessions for eligible BTR developments).

Land Tax Act LTFS exemption

10. LTFS is not imposed on the taxable value of an entity's taxable land if, when a liability for land tax arises, all the following apply:
- (a) The entity requirements are satisfied.
 - (b) The entity—or the relevant corporate group of which the entity is a group entity—is a large developer.
 - (c) One of the years in which the large developer test is satisfied is the year for which the LTFS exemption is being sought.
 - (d) The size and scale of the activities conducted by the entity—or the relevant corporate group of which the entity is a group entity—is proportionate to the taxable land for which exemption is sought.
11. Where an entity—or the relevant corporate group of which the entity is a group entity—is awaiting planning approval for land, the land will be taken to be used for development or redevelopment activity for 2 financial years starting from 1 July immediately following the date the entity became the owner of the land, if the entity was exempt from AFAD under paragraph 8 on the relevant transaction for the acquisition of the land.
12. An entity is not eligible for the LTFS exemption for taxable land if the concession for land used for an eligible BTR development under s.58B(3) of the Land Tax Act has been applied to the land⁷ or the entity has been pre-approved or approved for exemption under [Public Ruling LTA000.6](#) *Administrative arrangement—exemption from the land tax foreign surcharge for commercial activities that make a significant contribution*.
13. For the avoidance of doubt, subject to paragraph 11, the LTFS exemption is only available while development activities are being undertaken. Once the development is complete, the entity—or the corporate group of which the entity is a group entity—will generally be considered to hold the developed land as a passive investor and the land will no longer qualify for the LTFS exemption.

Nominees and custodians

14. For the purpose of determining eligibility for the exemptions, nominees and custodians appointed for regulatory compliance purposes will be looked through, and eligibility will be determined by reference to the activities of the next level trustee and will apply to the land owned by that trustee.

⁷ See [Public Ruling DA000.17](#) *AFAD concession for eligible build-to-rent (BTR) developments*.

Entity requirements

15. An entity satisfies the entity requirements if it meets the following requirements.

Australian-based requirements

16. The entity has a head office or principal place of business in Australia and satisfies all the following requirements:
- (a) The entity has significant management staff (i.e. directors and managers who are employees) and office presence in Australia.
 - (b) The entity has employees who are Australian citizens or permanent residents.
 - (c) The entity carries on business in Australia.
 - (d) Decisions about the entity's business and operations in Australia are primarily made by the entity's management or employees in Australia.
17. For the purpose of the requirements in sub paragraphs 16(a) to (d), corporate group tracing is permitted.

Compliance with Foreign Investment Review Board requirements

18. The entity is compliant with all Foreign Investment Review Board requirements and conditions relating to the land for which exemption is sought, and any previous non-compliance issues have been addressed.

Compliance with regulatory requirements

19. The entity is compliant with applicable legal and regulatory requirements—including under the Corporations Act (or equivalent legislation that may also be applicable to the entity) and with Queensland's revenue laws—and any previous non-compliance issues have been addressed.
20. Where corporate group tracing under paragraph 21 is applied, this requirement must be satisfied by:
- (a) the entity to which the exemption application relates
 - and
 - (b) all of the relevant group entities within the corporate group.

Corporate group tracing

21. For the purpose of satisfying the definition of 'large developer' and the Australian-based requirements (other than the requirement for the entity to have a head office or principal place of business in Australia), each requirement will be considered to be met if it is satisfied by the parent or a subsidiary of the entity to which the exemption application relates—or by series of parent and subsidiary arrangements, including any combination of them. All of the parent and subsidiary entities through which the tracing occurs constitute the *relevant corporate group*.
22. All of the parent and subsidiary entities constitute a *corporate group*.

23. Each entity within the corporate group is a *group entity*.

Considerations for regional significance and priority development areas

24. For developments or redevelopments in non-metropolitan areas, the Commissioner may approve a development or redevelopment of less than 20 residential lots as a *qualifying development*—or an entity or relevant corporate group as a *large developer*—subject to the entity (or group, as the case may be) meeting all other requirements for the AFAD exemption or LTFS exemption, having regard to the following:
- (a) the nature of the development and area
 - (b) the contribution made to housing stock and infrastructure by the development, in the context of population size, demographics and activity in the area
 - (c) the economic and social impacts of the development for the area
 - (d) whether in the absence of the development by the entity, such outcomes for the area would otherwise be likely (including, for example, the number of other developers or builders in the same market)
 - (e) any other relevant factors.
25. The Commissioner may approve a development or redevelopment of less than 20 residential lots as a *qualifying development*—or an entity or relevant corporate group as a *large developer*—subject to the entity (or group as the case may be) meeting all other requirements for the AFAD exemption or LTFS exemption, having regard to whether the land is either:
- (a) in a priority development area declared by the Governor in Council under a regulation, on the recommendation of the Minister for Economic Development Queensland under the *Economic Development Act 2012*
 - (b) part of a declared coordinated project declared by the Coordinator General under the *State Development and Public Works Organisation Act 1971*.

Application for exemption

26. An application for exemption must be:
- (a) made in the approved form
 - (b) supported by the documents and information required by the Commissioner to decide the application.

Application for pre-approval of exemption

27. On application made in the approved form, the Commissioner may pre-approve an entity for an AFAD exemption if one of the following applies:
- (a) The entity has previously been approved for the AFAD exemption.

- (b) A group entity in a corporate group has been approved for the exemption, while a member of the group, and the entity is the parent or a subsidiary of the group entity when the liability for transfer duty arises.
28. An entity's pre-approval for the AFAD exemption continues until a notifiable event for the AFAD exemption occurs.
29. On application made in the approved form, the Commissioner may pre-approve an entity for an LTFS exemption in respect of a financial year if one of the following applies:
- (a) The entity has previously been approved or pre-approved for the AFAD exemption or LTFS exemption.
 - (b) A group entity in a corporate group has been approved for the LTFS exemption, while a member of the group, and the entity is the parent or a subsidiary of the group entity when a liability for land tax arises.
30. An entity's pre-approval for the LTFS exemption continues until a notifiable event for the LTFS exemption occurs.

Notification requirements

31. An entity pre-approved or approved for the AFAD exemption must:
- (a) within 28 days after the notifiable event for the AFAD exemption happens, notify the Commissioner in the approved form
 - (b) pay the amount of AFAD applicable to the transaction that is the transfer, or agreement for the transfer, of land as if the AFAD exemption did not apply to the transaction (including penalty tax and unpaid tax interest) if required to by the Commissioner—if the notifiable event would have had the effect of changing eligibility for the exemption, had it been known at the time eligibility is determined.
32. The notification requirement in paragraph 31 continues until a minimum of 20 residential lots have been developed or re-developed if paragraph 8(b)(i) is applied, or at the end of the summing period or averaging period (whichever is later) if paragraph 8(b)(ii) is applied.
33. An entity pre-approved or approved for an LTFS exemption must:
- (a) within 28 days after the notifiable event for the LTFS exemption happens, notify the Commissioner in the approved form
 - (b) if the notifiable event would have had the effect of changing eligibility for the exemption, had it been known at the time eligibility is determined—pay the amount of LTFS applicable to the taxable value of the entity's taxable land, including penalty tax and unpaid tax interest, for the financial years in which the entity is ineligible for exemption, if required to by the Commissioner.

Declaration for LTFS exemption each financial year

34. Where an LTFS exemption has been applied to an entity's taxable land, the entity must lodge at the beginning of each financial year a statutory declaration by a person holding appropriate authority from the entity that no notifiable events for the LTFS exemption—within the meaning

in paragraph 7(j)—have occurred; and that, to the best of the person’s knowledge, the entity will remain eligible for the LTFS exemption for the financial year for which the exemption is sought.

Transitional provisions

35. For the purpose of paragraphs 27(a) and 29(a), a reference to an entity having been previously approved for the exemption includes an entity approved for ex gratia relief under one of these public rulings (including previous versions of these rulings):
- (a) [Public Ruling DA000.15](#) *Additional foreign acquirer duty—ex gratia relief for significant development for liabilities arising before 15 December 2025*
 - (b) [Public Ruling LTA000.4](#) *Guidelines for ex gratia relief from the land tax foreign surcharge for liabilities arising before 30 June 2026*, on the basis of satisfying the condition in paragraph 10(d)(iv).

Date of effect

36. This public ruling takes effect on 15 December 2025 and applies to:
- (a) transfers, or agreements for the transfer, of AFAD residential land where the liability for transfer duty arises on or after this date
- and
- (b) liabilities for land tax arising on and after 30 June 2026.

Simon McKee
Commissioner of State Revenue
Date of issue: 15 December 2025

References

Public Ruling	Issued	Dates of effect	
		From	To
GEN012.1	15 December 2025	15 December 2025	Current