FREQUENTLY ASKED QUESTIONS IN RESPECT OF A REPLACEMENT LEASE

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| No. | QUESTION | ANSWER |
|  | What is a Replacement Lease? | A lease is an instrument by which the legal and beneficial owner of the property (the “Lessor”) vests the right or interest over that property in consideration of rent (for a specific period of time) or for a lease premium to the Lessee and is subject to the fulfillment of certain conditions contained in the Lease and this includes subleases and a Replacement Sub lease. |
|  | Under what circumstances can a Replacement Lease be used? | A Replacement Lease can be used where the sub lessor does a subdivision, amalgamation or change of user of the Head Title and new land reference numbers are allocated to the properties.  The initial Lease title over the property is surrendered back to the Head Lessor and a new Lease as the head title is issued. Any subleases registered thereunder will be surrendered and upon issue of the new head lease, the replacement subleases will be registered and noted against the new head lease. |
|  | Can a Replacement Lease be used to change a party or the terms under a Lease? | A Replacement Lease cannot be used to replace, add or change the terms, covenants and obligations or party under an initial Lease. |
|  | What is the stamp duty payable for a Replacement Lease? | A Replacement Lease is exempted from stamp duty. On applying for exemption, you will be required to attach a copy of the initial original Leases together with the stamp duty payment slips showing the stamp duty paid. |
|  | What is the process of perfection of a Replacement Lease? | The Replacement Lease should be signed by the parties and thereafter lodged for exemption of stamp duty.  Once the exemption has been granted,  it will be lodged for registration at the relevant Lands Registry. |
|  | Does a Replacement Lease vary from the Initial Lease? | The terms, covenants and obligations created under the initial Lease shall continue and will be replicated in the Replacement Lease unless the issuance of the new head lease may result in some of the covenants or obligations becoming illegal or onerous. The only variations that shall be noted shall be in respect of the description of the property. |