

Stamp Duties (Relief from Stamp Duties Upon Conversion of Firm to Limited Liability Partnership) Rules 2013

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No. S 35

STAMP DUTIES ACT (CHAPTER 312)

STAMP DUTIES (RELIEF FROM STAMP DUTIES UPON CONVERSION OF FIRM TO LIMITED LIABILITY PARTNERSHIP) RULES 2013

In exercise of the powers conferred by sections 15 and 77 of the Stamp Duties Act, the Minister for Finance hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duties Upon Conversion of Firm to Limited Liability Partnership) Rules 2013 and shall be deemed to have come into operation on 19th February 2011.

Conditions for relief from ad valorem stamp duty upon conversion of firm to limited liability partnership

2. The conditions for relief from ad valorem stamp duty in respect of the conversion of a firm (referred to in these Rules as the original firm) to a limited liability partnership referred to in section 15(1) of the Act are —

- (a) the partners of the limited liability partnership on the date of the conversion (referred to in these Rules as the original partners) were also the partners of the original firm immediately before that date;
- (b) the assets of the limited liability partnership on the date of the conversion were the sole assets of the original firm immediately before that date; and
- (c) the amount of capital contributed by each original partner as at the date of the conversion remains the same as in the original firm immediately before that date.

Prescribed matter leading to disallowance of relief

3.—(1) For the purpose of section 15(3) of the Act, a claim for relief from ad valorem stamp duty in respect of the conversion of a firm to a limited liability partnership referred to in section 15(1) of the Act shall be deemed to have been disallowed if the total amount of the partnership interest of one or more of the original partners disposed of in the period of 2 years from (and including) the date of the conversion is more than 25% of the total amount of the partnership interest of all the original partners on the date of the conversion.

(2) Paragraph (1) applies also to the disposal of the partnership interest of an original partner or any part thereof to another original partner, but does not apply to the disposal of the partnership interest of an original partner or any part thereof to —

- (a) a company or limited liability partnership wholly associated with the original partner; or
- (b) the trustee-manager of a registered business trust wholly associated with the original partner, to be held as trust property of that trust.

(3) For the purposes of paragraph (2)(a) and (b), a company, limited liability partnership or registered business trust is wholly associated with an original partner if —