

Stamp Duties (Amendment) Bill

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Bill No: 6/2010

Read the first time: 12th March 2010

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Stamp Duties (Amendment) Bill

Bill No. 6/2010

Read the first time on 12th March 2010.

An Act to amend the Stamp Duties Act (Chapter 312 of the 2006 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Stamp Duties (Amendment) Act 2010 and shall be deemed to have come into operation on 20th February 2010.

New sections 22A and 22B

2. The Stamp Duties Act is amended by inserting, immediately after section 22, the following sections:

“Contracts and instruments chargeable as conveyances on sale of immovable property

22A.—(1) Subject to the provisions of this Act, every contract or agreement for the sale of any specified immovable property (or any part thereof) which is chargeable with duty pursuant to section 22 (including any instrument chargeable in like manner) shall be charged with additional ad valorem duty (the amounts of which are indicated in the First Schedule), payable by the vendor of the property, in respect of the consideration for that sale as if it were an actual conveyance on sale of immovable property, if the property or part thereof is disposed of under that contract or agreement —

- (a) whilst this section is in force; and
- (b) before the expiration of the period prescribed in the section 22A Order in relation to the specified immovable property (referred to in this section as the specified holding period) from the date on which the vendor acquired that property or any part thereof.

(2) Subject to the provisions of this Act, every instrument —

- (a) which is a conveyance or transfer operating as a voluntary disposition inter vivos of any specified immovable property (or any part thereof) and which is chargeable with duty under section 16 as if it were a conveyance or transfer on sale of that property;
- (b) which is a conveyance or transfer of any specified immovable property (or any part thereof) —
 - (i) by way of release or settlement;
 - (ii) pursuant to a declaration of trust where the beneficial interest in the property passes; or
- (c) whereby any specified immovable property (or any part thereof) is transferred, by way of distribution in specie upon the voluntary winding-up of a private company, to a person in his capacity as shareholder in that company,

shall be treated for the purpose of this section as a conveyance on sale of immovable property and chargeable with the same additional ad valorem duty under subsection (1), payable by the transferor, in respect of the value of the property or part thereof so conveyed or transferred, if the property or part thereof is disposed of under that instrument —

- (A) whilst this section is in force; and
- (B) before the expiration of the specified holding period from the date on which the transferor acquired that property or any part thereof.

(3) Subject to the provisions of this Act and unless the section 22A Order specifies otherwise, every instrument which is a lease or an agreement for lease of any specified immovable property (or any part thereof) for a term equal to or exceeding the prescribed term, shall be treated for the purpose of this section as a conveyance on sale of immovable property and chargeable with the same additional ad valorem duty under subsection (1), payable by the lessor, in respect of the consideration for the lease, if the property or part thereof is disposed of under that instrument —

- (a) whilst this section is in force; and
- (b) before the expiration of the specified holding period from the date on which the lessor acquired that property or any part thereof.

(4) For the purposes of subsection (3) —

- (a) the fact that the term of a lease or an agreement for lease may be extended in pursuance of an option shall be taken into consideration in determining whether its term is equal to or exceeds the prescribed term; and
- (b) the fact that a lease or an agreement for lease for a specified period of time is determinable on the happening of an event within that time shall not be taken into consideration in determining its term.

(5) Subject to the provisions of this Act, an instrument whereby an exchange of any specified immovable property (or any part thereof) is effected shall be treated for the purpose of this section as a conveyance on sale of immovable property if the property or part thereof is disposed of under the instrument —

- (a) whilst this section is in force; and
- (b) before the expiration of the specified holding period from the date on which the party who disposes of the property or part thereof acquired

that property or any part thereof,
and shall be chargeable with the same additional ad valorem duty under subsection (1), payable by that party, in respect of the value of the property or part thereof being exchanged that is of the greater value.

(6) In subsection (5), where a party disposes of 2 or more properties or parts thereof to another party under the instrument, those properties or parts shall be treated as one property or part, and their values shall be aggregated, for the purpose of determining the value of the property or part thereof being exchanged that is of the greater value.

(7) Where in any conveyance on sale of immovable property or any part thereof (including any instrument which is chargeable in like manner) the vendors, lessors or transferors of the property or part are joint owners of that property or part, the duty payable by each vendor, lessor or transferor under this section shall be a proportion of the duty commensurate with their respective shares in that property or part; and for this purpose, joint tenants of any property or part shall be presumed, until the contrary is proved, to have equal shares in the property or part.

(8) For the purposes of determining the additional duty chargeable upon a conveyance on sale of immovable property or any part thereof (including any instrument which is chargeable in like manner) —

- (a) the consideration or value (whichever is applicable) on which the duty is based, shall be reduced by such amount as the Commissioner considers to be attributable to such part of the specified immovable property which is lawfully used for purposes other than for a prescribed purpose; and
- (b) where parts of the property were acquired by the vendor, lessor or transferor at different times, the duty shall be reduced by such amount as the Commissioner determines to be in excess of the duty which would have been chargeable under this section if the property had been conveyed in separate parts.

(9) The decisions of the Commissioner under subsection (8)(a) and (b), respectively, shall be final.

(10) Section 22(3) and (5) shall apply to a vendor, lessor or transferor of specified immovable property or a part thereof as if —

- (a) the references in those provisions to purchaser or sub-purchaser are substituted with references to such vendor, lessor or transferor; and