

IRAS e-Tax Guide

Stamp Duty : Remission for Aborted Leases



INLAND REVENUE
AUTHORITY
OF SINGAPORE

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Stamp Duty : Remission for Aborted Lease

1 Aim

1.1 This guide serves:-

- to inform you that the Minister for Finance, in Budget 2011, has announced the stamp duty remission for aborted leases. This remission is applicable to Lease or Agreement for Lease rescinded on or after 19 February 2011.
- to provide you with the conditions for remission and the procedures for applying remission.

2 Current Tax Treatment

2.1 Currently, stamp duty remission in excess of \$50 is granted for aborted Sales and Purchase Agreements that are rescinded on grounds¹ other than those stated under Section 22(6) of the Stamp Duties Act.

2.2 No remission of stamp duty is granted for aborted leases.

3 What's New and the Effective Date

3.1 Following the announcement in Budget 2011, a refund of stamp duty paid in excess of \$50 would be allowed for aborted Lease or Agreement for Lease subject to the following conditions : -

- (a) The Lease or Agreement for Lease is rescinded on or after 19 February 2011;
- (b) The lessee has not rescinded the Lease or Agreement for lease with a view to facilitating the lease of the property by the lessor to another person;
- (c) The executed Lease or Agreement for Lease has not been made use of for any purpose;
- (d) The lease period of the property has not commenced;

¹ The purchaser may want to abort the transaction because of change of circumstances, such as financial difficulties, e.g. retrenchment that arises after the purchase where he can no longer afford to buy the property, death of purchaser or joint purchaser.

- (e) The application for remission is made within six months from the date of rescission of the Lease or Agreement for Lease or within such further time which the Commissioner may otherwise allows;
- (f) The original Lease or Agreement for Lease is surrendered to the Commissioner of Stamp Duties for cancellation.

4 Administrative Procedure

- 4.1 To apply for remission, you can submit an online application for refund at our e-Stamping website at <https://estamping.iras.gov.sg> > Correspondence > e-Application for Refund. You can submit the supporting documents to : -

Commissioner of Stamp Duties
55 Newton Road
Revenue House
Singapore 307987

- 4.2 Alternatively, you can submit a refund form with the supporting documents to the same address above.

The refund form can be found at www.iras.gov.sg > Stamp Duty > Claim Refunds > Application Forms > Application for Refund of Stamp Duty

- 4.3 The list of supporting documents required : -
- Original Lease or Agreement for Lease (in duplicate, if any)
 - Certificate of Stamp Duty (in duplicate, if any) issued for the original Lease or Agreement for Lease
 - Letters addressed to the “Commissioner of Stamp Duties” from both the lessor and the lessee, or their respective solicitors to confirm that the Lease or Agreement for Lease is rescinded

5 Frequently Asked Questions

5.1 What is considered as an aborted lease eligible for remission of stamp duty?

An aborted lease is a lease rescinded after it is executed or signed. To be eligible for remission of stamp duty, the lease must be rescinded on or after 19 February 2011, before the commencement date of the lease and it has not been made use of by either parties. The lease should not be rescinded with the view to facilitate the lease of the property by the lessor to another person. Application for remission must be made within six months from the date of rescission.

5.2 I have entered into a lease with my landlord for a lease term of 3 years. I have decided to abort the lease after occupying the premise for 1 year. Am I eligible for remission of stamp duty?

No, you are not eligible for remission of stamp duty as the lease period of the premise has commenced.

The remission is not intended for lessees or tenants who have derived economic benefits from the leased space.

5.3 I have entered into a lease with my landlord where the terms in the contract allow me to carry out fitting out works before the commencement of the lease. I have carried out the fitting out works but decided to abort the lease before the lease commencement date. Am I eligible for remission of stamp duty?

No, you are not eligible for remission of stamp duty as you have made use of the lease contract when you carried out the fitting out works.

6 Contact Information

For enquires on this Guide, please contact : -

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Inland Revenue Authority of Singapore
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Revenue House
Singapore 307987

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