

# **IRAS CIRCULAR**

**(A) STAMPING OF LEASE WITH  
VARIABLE RENT**

**(B) STAMPING OF ACCEPTANCE  
TO LETTER OF OFFER  
FOR LEASE**



**INLAND REVENUE  
AUTHORITY  
OF SINGAPORE**

Published by  
Inland Revenue Authority of Singapore

Published on 2 Jul 2007

**© 2007 IRAS Singapore. All Rights Reserved**

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

Our ref: 2007/SD/2

2 Jul 2007

To The Law Society of Singapore  
Real Estate Developers' Association of Singapore  
Institute of Estate Agents  
Singapore Institute of Surveyors and Valuers

**(A) STAMPING OF LEASE WITH VARIABLE RENT**  
**(B) STAMPING OF ACCEPTANCE TO LETTER OF OFFER FOR LEASE**

We note that currently almost all Leases with variable rents (ie where actual rent amounts cannot be ascertained upfront) are being submitted to IRAS for adjudication. Adjudication attracts a fee and delays stamping. We would like to advise that adjudication is not mandatory for such Leases. Like any other Leases with fixed rents, these Leases may be e-stamped without adjudication, based on the Open Market Rent or Gross Rent agreed between the parties of the contract, whichever is the higher. Gross Rent would include the base rent and all charges in connection with the Lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). A list of examples and the applicable stamp duty treatment is attached in Annex 1.

We also wish to clarify that Acceptance to Letter of Offer for Lease is chargeable for ad valorem duty, and hence needs to be stamped within 14 days of the date of acceptance. Failure to stamp the Acceptance within the stipulated time will attract late stamping penalty. Any subsequent document executed pursuant to the Acceptance, such as Lease or Agreement for Lease, will only be charged nominal duties since ad valorem duty has already been paid for the Acceptance.

We would appreciate if the information could be disseminated to your members. If you need any clarification, you may call our helplines at 6351 3697 / 6351 3698 for assistance.

WANG TECK LENG  
DIRECTOR  
VALUATION & STAMP DUTY  
for COMMISSIONER OF STAMP DUTIES

cc Housing & Development Board  
JTC Corporation  
Singapore Land Authority  
Urban Redevelopment Authority

## ANNEX 1 - Stamping Of Lease Documents With Variable Rent

Types Of Rent Structure Involving Variable Rent Component	Stamp Duty Treatment
<ul style="list-style-type: none"> <li>Rent based on percentage of sale turnover</li> </ul>	Stamping based on Open Market Rent
<ul style="list-style-type: none"> <li>Gross Rent, involving a percentage of sale turnover (where absolute amount is not known at time of stamping)</li> </ul>	Stamping based on whichever is higher:- 1) Gross Rent, or 2) Open Market Rent
<ul style="list-style-type: none"> <li>Gross Rent, involving a percentage of sale turnover that includes an ascertainable projected sale turnover</li> </ul>	Stamping based on whichever is higher:- 1) Gross Rent to include amount derived from percentage of ascertainable projected sale turnover, or 2) Open Market Rent
<ul style="list-style-type: none"> <li>Gross Rent, involving a percentage of sale turnover, subject to a minimum secured sum</li> </ul>	Stamping based on whichever is higher:- 1) Gross Rent to include minimum secured sum, or 2) Open Market Rent
<ul style="list-style-type: none"> <li>Gross Rent, involving a percentage of sale turnover, subject to a maximum secured sum</li> </ul>	Stamping based on whichever is higher:- 1) Gross Rent to include maximum secured sum, or 2) Open Market Rent

Please note

- 1) "Open Market Rent" as defined under Section 25(5) of Stamp Duties Act, Cap. 312 means the consideration (including rent, payment for the hire of any furniture, chattels, fittings or equipment or for the provision of services, facilities or other things in connection with the property, and any other form of valuable consideration) that a lessee might reasonably be expected to pay under a lease of the property, if it were unoccupied and offered for renting.