

IRAS e-Tax Guide

Stamp Duty: Imposition of Stamp Duty on Sellers for Sale or Disposal of Residential Property (Third Edition)



INLAND REVENUE
AUTHORITY
OF SINGAPORE

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Paragraphs

- 6 – Rephrasing the list of exemptions
- 6.1(iv) - Amended wordings from “subject to paragraph 9” to “subject to paragraph 2.3”
- 7 – Replaced 7.1 and 7.2 with new advice on payment procedures

Annexes

- B – Replaced with new Form E1C
- C – Replaced with new Form E1D
- D – Amended Question 9 and added Questions 10 and 11

Third Edition changes

Paragraphs

- 1.1 – Rephrasing
- 1.2 – New information
- 1.3 - New information
- 2.1 – New information
- 2.2 – New information
- 2.3 – New information
- 2.5 – New information
- 3.1 – New information
- 5.1 – Minor amendment on page from 9 to 16
- 6.1(iii) - Minor amendment on “subject to paragraph” from 2.3 to 2.5
- 7.1 - Minor amendment on page from 10 to 17
- 7.2 - Minor amendment on page from 13 to 20
- 9.1 - Minor amendment on page from 16 to 23

Annexes

- B – Replaced with new Form E1C
- D – Questions amended

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1. Overview

- 1.1 In February 2010, the Government imposed a seller's stamp duty (SSD) for sellers who buy (or acquire) residential properties on or after 20 February 2010 and sell (or disposed of) them within one year of acquisition¹.
- 1.2 On 30 August 2010, the Government further announced that SSD will be imposed on residential properties which are bought or acquired on or after 30 August 2010 and sold or disposed of within three years of acquisition.
- 1.3 In summary, properties bought before 20 February 2010 will not be subject to the SSD. Properties acquired on or after 20 February 2010 and before 30 August 2010 will be subject to the one year holding period for the purpose of SSD. The SSD will be applied at the standard ad valorem stamp duty rates for the conveyance, assignment or transfer of property: 1% for the first \$180,000 of the consideration, 2% for the next \$180,000, and 3% for the balance. Properties acquired on or after 30 August 2010 will be subject to the three years holding period for the purpose of SSD. The SSD rates would be tiered according to the duration of the holding period – such that the seller pays the full conveyance rate if the residential property is sold within one year of purchase; 2/3 the amount if the sale is in the second year; 1/3 the amount if in the third year.
- 1.4 This Guide explains the circumstances under which SSD will apply and the procedures for paying SSD.

¹ The date of purchase, acquisition and sale refers to the date the Option to Purchase is exercised or the date the Sale and Purchase Agreement is signed, whichever is earlier.

Please see the examples below :

(A) Residential Property Under Construction

OTP : Option To Purchase
 SPA : Sale and Purchase Agreement
 BSD : Buyer's Stamp Duty
 SSD : Seller's Stamp Duty

D : Developer
 A : Original Purchaser
 B : Sub-Purchaser

Example 5 : -

Developer (D)	Original Purchaser (A)	Sub-Purchaser (B)
<p>- D issued OTP to A on 20 Aug 2010.</p> <p>- A exercised OTP by signing SPA on <u>30 Aug 2010</u>.</p>	<p>- A issued OTP to B.</p> <p>- B exercised OTP on <u>25 Jan 2013</u></p> <p>- B signed fresh SPA with D on 15 Feb 2013.</p>	<p>- B has to pay BSD on OTP which was exercised on 25 Jan 2013.</p>
	<p>- A has to pay BSD on SPA which was signed with D on 30 Aug 2010.</p> <p>- A has to pay SSD (1/3 of full rate) on OTP which was exercised by B on 25 Jan 2013.</p>	

SSD at 1/3 of full rate is payable by A because the property is acquired on and after 30 August 2010 and disposed of on 25 January 2013 which is within the third year of the acquisition.

(B) Completed Residential Property

OTP : Option To Purchase
SPA : Sale and Purchase Agreement
BSD : Buyer's Stamp Duty
SSD : Seller's Stamp Duty

S : Seller
A : Original Purchaser
B : Sub-Purchaser

Example 6 : -

Seller (S)	→	Original Purchaser (A)	→	Sub-Purchaser (B)
	- S issued OTP to A on 1 Oct 2010. - A exercised OTP on <u>10 Oct 2010</u> .		- A issued OTP to B. - B exercised OTP on <u>25 Dec 2011</u> .	
		- A pays BSD on OTP which was exercised on 10 Oct 2010. - A has to pay SSD (2/3 of full rate) on OTP which was exercised by B on 25 Dec 2011.		- B pays BSD on OTP which was exercised on 25 Dec 2011.

SSD at 2/3 of full rate is payable by A because the property is acquired on and after 30 August 2010 and disposed of on 25 December 2011 which is within the second year of the acquisition.

2.4 Acquisition or disposal of properties includes transfer of properties made in the following manner :

- (a) Direct sale or purchase;
- (b) By way of a collective sale or purchase;
- (c) By way of mortgagee sale;
- (d) By way of gift, release, settlement or trust where the beneficial interest in the property passes to the beneficiary;
- (e) By way of distribution in specie upon voluntary winding up of a company;
- (f) By way of letter of authority;
- (g) By way of exchange;

2.5 When the property is transferred by way of inheritance or under the right of survivorship in a joint tenancy, full SSD will be payable if the property is disposed of within 1 year of the property being acquired by the deceased on and after 20 February 2010.

If the property was acquired by the deceased on and after 30 August 2010, two-thirds of duty will be payable if the property is disposed of within the second year of the deceased's acquisition.

One-third of duty will be payable if the property is disposed of within the third year of the deceased's acquisition.

3. Computation of SSD Amount

3.1 SSD payable is computed in the same manner as buyer's stamp duty as follows :

Stamp Duty based on consideration or market value, whichever is higher	Rates
Every \$100 or part thereof of the first \$180,000	\$1
Every \$100 or part thereof of the next \$180,000	\$2
Every \$100 or part thereof of the remainder	\$3

Illustration 1 : -

Mr A purchased a residential property on 1 Sep 2010. 1½ years later, Mr A sold the property to Mr B for \$1.3 million.

Value of transaction = \$1.3 million

Holding period is more than 1 year and up to 2 years

Stamp duty payable by the buyer Mr B is computed as follows :

1 st	\$180,000	(1% of \$180,000)	\$1,800
Next	\$180,000	(2% of \$180,000)	\$3,600
Next	\$940,000	(3% of \$940,000)	<u>\$28,200</u>
			\$33,600

SSD payable by the seller Mr A is as follows :

2/3 of the full stamp duty : **\$22,400**

Illustration 2 : -

Mr X purchased a residential property on 1 Oct 2010. 2½ years later, Mr X sold the property to Mr Y for \$876,123.

Value of transaction = \$876,123

Holding period is more than 2 years and up to 3 years

Stamp duty payable by the buyer Mr Y is computed as follows :

1 st	\$180,000	(1% of \$180,000)	\$1,800
Next	\$180,000	(2% of \$180,000)	\$3,600
Next	\$516,200	(3% of \$516,200)	<u>\$15,486</u>
			\$20,886 (round down to nearest \$)

SSD payable by the seller Mr X is as follows :

1/3 of the full stamp duty **\$6,962** (round down to nearest \$)

4. Payment Due Date

- 4.1 SSD must be paid within 14 days of the execution of the Agreement (i.e. exercise of Option or signing of Agreement). If the Agreement is executed overseas, upon receipt of the Agreement in Singapore, the SSD must be paid within 30 days.

5. Residential Properties

- 5.1 Only residential properties are affected. Please refer to the Glossary of Terms in **Annex A** (page 16). Where part of the property is for residential use, only that part relating to residential use is subject to SSD.
- 5.2 Where the transaction relates to only a partial interest in the residential property, SSD will be payable on the consideration or the market value of the partial interest, whichever is higher. For this purpose, joint tenants are deemed to have equal interest.

6. Exemptions

- 6.1 SSD is exempted or remitted for sellers/ transferors under the following scenarios:
- i. Housing developers need not pay SSD when selling residential properties developed by them.
 - ii. Public authorities in exercising their functions and duties need not pay SSD when selling residential properties, e.g. Housing & Development Board (HDB) and JTC Corporation (JTC);
 - iii. For an inherited residential property, SSD will not be payable by the estate of the deceased when the property is passed to the beneficiary by Will or by law (subject to paragraph 2.5);
 - iv. Residential property owners need not pay SSD when their properties are acquired by the Government under the Land Acquisitions Act;
 - v. Residential property owners need not pay SSD when selling their residential properties due to bankruptcy or involuntary winding up;
 - vi. Foreigners need not pay SSD when they have to sell their residential properties as required under the Residential Properties Act;
 - vii. HDB flat owners need not pay SSD when they have to return their flats to HDB as a result of re-possession by HDB or under the Selective En-bloc Redevelopment Scheme (SERS);
 - viii. The transferor will similarly enjoy remission of SSD in consequent to matrimonial proceedings (i.e. divorce) in which specific remission² for buyer's stamp duty has been granted to the transferee;
 - ix. The transferor will similarly enjoy remission of SSD on a conveyance direction in which specific remission³ for buyer's stamp duty has been granted to the transferee;

² Stamp Duties (Matrimonial Proceedings) (Remission) Rules 2005

³ Stamp Duties (Conveyance Directions) (Remission) Rules 2005

- x. The transferor will similarly enjoy remission of SSD in excess of \$10 on a transfer of part interest in HDB flat to immediate family members in which specific remission⁴ for buyer's stamp duty has been granted to the transferee;
- xi. The transferor will similarly enjoy remission of SSD in excess of \$10 on a transfer made in consideration of marriage in which buyer's stamp duty has been remitted for the transferee;
- xii. The transferor will similarly enjoy remission of SSD on the Transfer made pursuant to a scheme of reconstruction or amalgamation under section 15 of the Stamp Duties Act in which relief for buyer's stamp duty has been allowed to the transferee;

7. SSD Payment Procedures

- 7.1 Please note that with effect from 27 July 2010, payment of SSD can no longer be done via the e-Stamping system until the system has been upgraded sometime in 2011. In the interim, you can pay SSD by completing the requisition form E1C (sample shown in **Annex B** in page 17) and submit it together with a cheque/cashier's order to :

Commissioner of Stamp Duties
55 Newton Road
Revenue House
Singapore 307987

Payment must be made in favour of "**Commissioner of Stamp Duties**".

The stamp certificate will be mailed to you once payment is cleared.

- 7.2 Seller will be required to pay nominal duty on subsequent documents relating to the same transaction. For example, the Seller will be required to pay nominal duty on the same Transfer that is to be lodged with Singapore Land Authority (SLA) by the buyer.

Please complete the requisition form E1D (sample shown in **Annex C** in page 20) and submit it together with a cheque/cashier's order to Commissioner of Stamp Duties.

8. Audit

- 8.1 Audit checks will be conducted on documents relating to the sale or disposal of properties. If IRAS discovers cases of deficient SSD, IRAS would recover the deficient duty. Under the Stamp Duties Act, a penalty of up to 4 times the amount of deficient duty may be imposed.

⁴ Stamp Duties (Transfer of HDB Flat Within Family) (Remission) Rules 2007

9. Frequently Asked Questions

9.1 Please refer to **Annex D** (page 23).

10. Contact Information

10.1 For enquiries on this Guide, please contact :
Property Tax Division
Valuation and Stamp Duty Branch
Inland Revenue Authority of Singapore
55 Newton Road
Revenue House
Singapore 307987

Tel : 6351 3697 / 6351 3698

Fax : 6351 3694

Email : estamp@iras.gov.sg

Inland Revenue Authority of Singapore

Annex A - Glossary of Terms

1. “Residential Property” means -
 - (a) any house, building or other premises or any part thereof which is permitted to be used pursuant to the Planning Act (Cap. 232) or any other written law as a dwelling-house or which is lawfully so used; and
 - (b) any land zoned in the Master Plan for solely residential purposes or for mixed purposes, one of which shall be residential.
2. “Master Plan” has the same meaning as in Section 2 of the Planning Act (Cap. 232).
3. “Acquisition” includes by way of purchase, grant, exchange, gift, settlement or otherwise.
4. “Disposal” means the sale, conveyance, transfer, assignment, settlement or other alienation of residential property, whether by agreement or otherwise, and includes the creation of a trust in respect of the property.

Annex B - SAMPLE FORM E1C

Commissioner of Stamp Duties
55 Newton Road, Revenue House
Singapore 307987
Tel: 63513697/8

**FORM E1C
REQUISITION FORM FOR
SALE & PURCHASE OF IMMOVABLE PROPERTY
(SELLER'S STAMP DUTY)**



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Please complete this Form in BLOCK letters.

Particulars of Person Submitting Document for Stamping

Name

Email

Address

Tel No. Applicant's Reference

Please provide full details of the Person submitting the document for stamping.

I certify that the information provided below is a true and accurate account of the transaction as they are recorded in the document.

Signature _____ Name of Signatory _____ Date _____

DETAILS OF DOCUMENT

Document Type: Acceptance to Option to Purchase
 Sale & Purchase Agreement
 Letter of Authority

Date of Document (for signed document) / /
D D M M Y Y Y Y

If Document was signed overseas, date on which it was first received in Singapore / /
D D M M Y Y Y Y

Purchase Price (S\$)

If Purchase Price is below market value or there is other consideration, please state the market value or total consideration. (S\$)

Share transferred Full Partial If partial, state fractional share /

HOLDING PERIOD OF PROPERTY

The property is sold/disposed of within 1 / 2 / 3* year(s) from the date of purchase/acquisition.

*Please delete accordingly.

Date of Purchase / Acquisition / / Date of Sale / Disposal / /
D D M M Y Y Y Y D D M M Y Y Y Y

PARTICULARS OF PROPERTY DISPOSED #

Property Details:

Blk/House No. [.....]
 Street Name [.....]
 Storey-Unit No. [.....] - [.....] Postal Code [.....]

Vacant Land:

MK/TS No. [.....] Lot No. [.....] PL/PT/Parcel No. [.....]
 Street Name [.....]

PARTICULARS OF VENDOR/TRANSFEROR/ASSIGNOR #

Name [.....]
 Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS
 Identity No. [.....]
 Address: Block/House No. [.....]
 Street Name [.....]
 Storey -Unit No. [.....] - [.....] Postal Code [.....]

Name [.....]
 Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS
 Identity No. [.....]
 Address: Block/House No. [.....]
 Street Name [.....]
 Storey -Unit No. [.....] - [.....] Postal Code [.....]

PARTICULARS OF PURCHASER/TRANSFeree/ASSIGNEE #

Name [.....]
 Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS
 Identity No. [.....]
 Address: Block/House No. [.....]
 Street Name [.....]
 Storey -Unit No. [.....] - [.....] Postal Code [.....]

Name		
Identity Type:		<input type="checkbox"/> NRIC	<input type="checkbox"/> FIN
		<input type="checkbox"/> PASSPORT	<input type="checkbox"/> UEN-LOCAL CO
		<input type="checkbox"/> UEN-BUSINESS	<input type="checkbox"/> UEN-OTHERS
		<input type="checkbox"/> OTHERS	
Identity No.		
Address:		Block/House No.	
Street Name		
Storey -Unit No.	 -	Postal Code

REASON(S) FOR LATE STAMPING

If the Document was not presented for stamping within the time stipulated in section 46 of the Stamp Duties Act, please state the reason(s) below:

Annex C - SAMPLE FORM E1D

Commissioner of Stamp Duties
55 Newton Road, Revenue House
Singapore 307987
Tel: 63513697/8

**FORM E1D
REQUISITION FORM FOR
SALE & PURCHASE OF IMMOVABLE PROPERTY
(SELLER'S NOMINAL STAMP DUTY)**



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Please complete this Form in BLOCK letters.

Particulars of Person Submitting Document for Stamping

Name

Email

Address

Tel No. Applicant's Reference

Please provide full details of the Person submitting the document for stamping.

I certify that the information provided below is a true and accurate account of the transaction as they are recorded in the document.

Signature _____ Name of Signatory _____ Date _____

DETAILS OF DOCUMENT

Document Ref No. on which ad valorem Seller's Stamp Duty has been paid

- Document Type:
- | | |
|--|--|
| <input type="checkbox"/> Fresh Sale & Purchase Agreement | <input type="checkbox"/> Agreement for Lease |
| <input type="checkbox"/> Sub-Sale Deed of Assignment | <input type="checkbox"/> Building Agreement |
| <input type="checkbox"/> Transfer | <input type="checkbox"/> Lease |

Date of Document (for signed document) / /
D D M M Y Y Y Y

If Document was signed overseas, date on which it was first received in Singapore / /
D D M M Y Y Y Y

HOLDING PERIOD OF PROPERTY

The property is sold / disposed of within 1 / 2 / 3* year(s) from the date of purchase / acquisition.
*Please delete accordingly.

Date of Purchase / Acquisition / / Date of Sale / Disposal / /
D D M M Y Y Y Y D D M M Y Y Y Y

PARTICULARS OF PROPERTY DISPOSED #

Property Details:

Blk/House No. [.....]

Street Name [.....]

Storey-Unit No. [.....] - [.....] Postal Code [.....]

Vacant Land:

MK/TS No. [.....] Lot No. [.....] PL/PT/Parcel No. [.....]

Street Name [.....]

PARTICULARS OF VENDOR/TRANSFEROR/ASSIGNOR #

Name [.....]

Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS

Identity No. [.....]

Address: Block/House No. [.....]

Street Name [.....]

Storey -Unit No. [.....] - [.....] Postal Code [.....]

Name [.....]

Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS

Identity No. [.....]

Address: Block/House No. [.....]

Street Name [.....]

Storey -Unit No. [.....] - [.....] Postal Code [.....]

PARTICULARS OF PURCHASER/TRANSFeree/ASSIGNEE #

Name [.....]

Identity Type: NRIC FIN PASSPORT UEN-LOCAL CO UEN-BUSINESS UEN-OTHERS OTHERS

Identity No. [.....]

Address: Block/House No. [.....]

Street Name [.....]

Storey -Unit No. [.....] - [.....] Postal Code [.....]

Name		
Identity Type:		<input type="checkbox"/> NRIC	<input type="checkbox"/> FIN
		<input type="checkbox"/> PASSPORT	<input type="checkbox"/> UEN-LOCAL CO
		<input type="checkbox"/> UEN-BUSINESS	<input type="checkbox"/> UEN-OTHERS
		<input type="checkbox"/> OTHERS	
Identity No.		
Address:		Block/House No.	
Street Name		
Storey -Unit No.	 -	Postal Code

REASON(S) FOR LATE STAMPING

If the Document was not presented for stamping within the time stipulated in section 46 of the Stamp Duties Act, please state the reason(s) below:

Annex D

Frequently Asked Questions

1. I have exercised an option to purchase an apartment before 20 February 2010. Does SSD apply to me if I dispose of the apartment within a year?

No, because the apartment was acquired by you before 20 February 2010. SSD is only payable by the seller who has acquired the residential property : -

- On or after 20 February 2010, and disposed of within 1 year of purchase or
- On and after 30 August 2010, and disposed of within 3 years of purchase.

2. I have exercised an option to purchase an apartment on 15 June 2010. Does SSD apply to me if I dispose of the apartment within 3 years of my acquisition?

As the apartment was acquired on and after 20 February 2010, full SSD is payable if you dispose of the apartment within 1 year of acquisition. SSD is not payable if the disposal is within the second or third year of acquisition because your purchase date was before 30 August 2010.

3. I have exercised an option to purchase an apartment on 30 August 2010. What will be the SSD if I dispose of the apartment within 3 years of my acquisition?

If you dispose of the apartment within the first year of acquisition, full SSD is payable. If you dispose of the apartment in the second year after acquisition, 2/3 of SSD is payable. If you dispose of the apartment in the third year after your acquisition, 1/3 of SSD is payable.

4. For the sale and purchase of the property, which is the material date to be considered for this purpose of determining SSD – is it the date of contract or date of transfer or date of possession of the property?

The date of exercise of Option to purchase or the date of Acceptance of Option or the date of Sale & Purchase Agreement or the date of Contract whichever is earlier would be taken as the material date in the sale and purchase of the property.

5. Does SSD apply if an apartment was given to me (i.e. transferred by way of a gift) and I dispose of the apartment within a year?

If the apartment was given to you on or after 20 February 2010, you have to pay full SSD if you dispose of the apartment within a year. If the apartment was given to you on or after 30 August 2010, you have to pay full SSD if you dispose of the apartment within a year, 2/3 of SSD if you dispose the apartment in the second year and 1/3 of SSD if you dispose of the apartment in the third year.

6. I have inherited a house from a deceased relative on 1 April 2010. Does SSD apply to me if I dispose of it within a year?

If the deceased acquired the house before 20 February 2010, you would not need to pay SSD upon disposal. If the deceased acquired the house on and after 20 February 2010, you would have to pay SSD when you dispose of the house within a year of the acquisition of the property by the deceased.

7. Does SSD apply to HDB residential flats?

HDB flats are not specifically exempted from SSD. However the vast majority of HDB owners will not be affected by SSD as they are required to occupy the HDB flats for 3 years or 5 years (i.e. the Minimum Occupation Period) before the property can be sold or disposed of.

8. How is SSD computed?

SSD is computed in the same manner as the stamp duty payable by the purchaser, at the following rates, on the consideration or the market value of the property, whichever is higher :-

• 1% on the first \$180,000;
• 2% on the next \$180,000;
• 3% on the balance amount

For the purpose of fractional SSD, you have to apply the fraction of 2/3 or 1/3 to the full duty amount.

For more information on the stamp duty computation for immovable properties, please refer to the IRAS website at www.iras.gov.sg (Other Taxes | Stamp Duty | Calculate Stamp Duty).

9. When must SSD be paid?

SSD must be paid within 14 days of the signing of the Agreement. But if the Agreement is executed overseas, SSD must be paid within 30 days from the date of receipt of the Agreement in Singapore.

10. How do I pay SSD?

Please note that with effect from 27 July 2010, payment of SSD can no longer be done via the e-Stamping system until the system has been upgraded sometime in 2011. In the interim, you can pay SSD by completing the requisition form E1C (sample shown in **Annex B** in page 17) and submit it together with a cheque/cashier's order to :

Commissioner of Stamp Duties
55 Newton Road
Revenue House
Singapore 307987

Payment must be made in favour of "**Commissioner of Stamp Duties**".

The stamp certificate will be mailed to you once payment is cleared.

10. I understand that the buyer will have to pay a nominal duty of \$10 on the Transfer when he submits it for registration with the Singapore Land Authority. As a seller, am I subject to pay nominal duty of \$10 on the same Transfer if I have already paid the SSD?

Since you are liable to pay SSD as a seller, you will be required to pay nominal duty on the same Transfer that is to be lodged with Singapore Land Authority by the buyer.

11. How do I pay for nominal duty after paying SSD?

You can complete the requisition form E1D (sample shown in **Annex C** in page 20) and submit it together with a cheque/cashier's order to :

Commissioner of Stamp Duties
55 Newton Road
Revenue House
Singapore 307987

Payment must be made in favour of "**Commissioner of Stamp Duties**".

The stamp certificate will be mailed to you once payment is cleared.