

IRAS CIRCULAR

**CHANGES IN STAMP DUTY ON
INSTRUMENTS EXECUTED ON OR
AFTER 28 FEB 98**



**INLAND REVENUE
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Updated on 28 April 2006. Updates are as follows:

- Replaced wordings in the first phrase of the first paragraph of the circular
- Deletion of paragraphs 3 and 4
- Changes to Annex B due to renumbering of Articles in the First Schedule of Stamp Duties Act (Cap 312)

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CHANGES IN STAMP DUTY ON INSTRUMENTS EXECUTED ON OR AFTER 28 FEB 98

In his 1998 Budget Speech delivered in Parliament on 27 Feb 98, the Minister for Finance announced the abolition of stamp duty on all instruments, except those which relate to stock, shares or immovable properties. The abolition of duty applies to instruments which are executed on or after 28 February 98. The types of instruments where duty has been abolished are found in Annex A. Annex B shows the instruments where stamp duty remains payable.

2 The minister has also streamlined the duty on tenancies executed on or after 28 Feb 98. "Lease" duty will be payable on the gross amount payable under the tenancy agreement, inclusive of payments for furniture, maintenance charges. The revised basis of computing duty payable on the tenancy agreement is found in Annex C.

**STAMP DUTY ABOLISHED ON INSTRUMENTS
EXECUTED ON OR AFTER 28 FEB 98**

Description of Instrument	Article in the First Schedule
Annuity *	2
Assurance	4
Bill of Sale *	5
Bond, Covenant or Instrument of any kind other than a marketable security, Indemnity Bond *	6, 7, 21, 24
Bond, Mortgage or other Instrument executed by way of Indemnity or of Security for the due execution of an office	8
Conveyance, Assignment or Transfer *	3, 10, 32
Covenant	12
Declaration of Trust *	14
Dissolution of Partnership	15
Duplicate or Counterpart *	11, 16
Gift *	20
Insurance	22
Instrument relating to formation of Partnership	25
Mortgage, Agreement for a Mortgage, Equitable Mortgage, Further Charge and Debenture *	13, 17, 19, 24
Policy of Insurance	27
Reconveyance of Mortgaged Property, Reassignment, Release, Discharge, Surrender or Renunciation	28
Release *	29
Settlement *	30

* except where it relates to stocks, shares or immovable property

**INSTRUMENTS EXECUTED ON OR AFTER 28 FEB 98
WHICH RELATES TO STOCK OR SHARES AND IMMOVABLE
PROPERTY THAT REMAIN CHARGEABLE WITH STAMP DUTY**

Description of Instrument	Article in the First Schedule
Bond, Covenant or Instrument for securing the payment for the hire of furniture, chattels, fittings or equipments in connection with the lease of immovable property and for the provision of services or facilities or to other matters or thing in connection with such lease	1
Contract Note ¹	2
Conveyance, Assignment, Transfer, Bill of Sale, Annuity, Release, Agreement for Sale	3
Declaration of Trust	4
Duplicate or Counterpart	5
Exchange ²	6
Gift	7
Lease or Agreement for a lease	8
Mortgage, Agreement for a Mortgage, Equitable Mortgage, Further Charge, Debenture	9
Partition	10
Settlement	11
Surrender of Lease	12

¹ Contract Note: Stamp duty on contract notes was suspended from 30/06/1998 to 29/06/2000 and abolished on 30/06/2000

² Exchange: Stamp duty changes made to Exchange of Properties with effect from 01/01/2003

**COMPUTATION OF STAMP DUTY ON A TENANCY AGREEMENT
EXECUTED ON OR AFTER 28 FEBRUARY 1998**

A TENANCY AGREEMENT is subject to "Lease" duty computed on the average annual amount payable under the Tenancy Agreement. This amount includes the payment for rent of premises, furniture & fittings and maintenance charges.

The rate is as follows:

	Where the term is for a period		
	Not exceeding one year	Exceeding one year but not exceeding 3 years	Exceeding 3 years or for an indefinite term
For every \$250/- or any part thereof of the average annual payment	\$1.00	\$2.00	\$4.00

Example:

Tenancy Agreement for a term of 30 months

Amount payable for

- premises @ \$6,600 per month for first 6 months	\$ 39,600
- premises @ \$7,400 per month for remaining 24 months	\$177,600
- furniture & fittings @ \$4,000 per month for 30 months	\$120,000
- maintenance charges @ \$180 per month for 30 months	<u>\$ 5,400</u>
Total payment for 30 months	<u>\$342,600</u>

Average payment: $\frac{\$342,600}{30 \text{ months}} = \$11,420$

Average annual payment: $\$11,420 \times 12 \text{ months} = \$137,040$

Duty payable: $\frac{\$137,040}{250} = 548.16$ (rounded up to 549)

= 549 x \$2 = **\$1,098**