

# **IRAS e-Tax Guide**

**Stamp Duty: Additional Buyer's Stamp Duty  
(ABSD) on Purchase of Residential Properties  
(Second Edition)**



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

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## **Second Edition Changes**

### Paragraphs

- 2.2(a) - Replaced 'companies, partnership and societies' with 'and non-individuals'
- 2.4 - Inserted 'thereafter', 'without any extension of the option validity period'
- 3.4 – New information on properties excluded from count
- 7 – New information on Transfer of Partial Interest Amongst Co-owners
- 10.3 - Additional information on FTA in Footnote 4
- 10.4 - Additional information on developer's eligibility for ABSD remission
- 10.5 - Additional information on development sites with 4 or less units
- 10.6 - New paragraph on purchase of land by developer for development by a related entity
- 10.7 - New paragraph on amalgamation of land for development by developers
- 10.8 - Inserted 'thereafter', 'without any extension of the option validity period'
- 11.3 - Inserted '(except non individuals/ corporate entities)' after all buyers of residential properties

Renumbering of paragraphs – Paragraphs 7 to 13 due to new insertion in paragraph 7.

### Frequently Asked Questions

Rephrased some FAQs, and added new FAQs.

### Annexes

Annex B - Replaced with 'Letter of Undertaking – Remission of ABSD for Residential Land (With 5 or More Residential Units)'

New Annex C - Letter of Undertaking - Remission of ABSD for Residential Land (With 4 or Less Residential Units)

Annex D - ABSD Declaration Form

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**Annex A : ABSD Rates for Joint Purchases Made by Married Couples**

**Annex B : Letter of Undertaking – Remission of ABSD for Residential Land (With 5 or More Residential Units)**

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**Annex D : ABSD Declaration Form**

## **Stamp Duty: Additional Buyer's Stamp Duty (ABSD) on Purchase of Residential Properties**

### **1 Aim**

1.1 This guide serves to:-

- inform on the implementation of additional buyer's stamp duty (ABSD) which is payable on the purchase or acquisition of private residential properties; and
- provide the details of the circumstances under which the ABSD will apply, how ABSD is computed and the procedures for paying ABSD.

### **2 At a Glance**

2.1 Certain buyers of residential properties (include residential land) on and after 8 December 2011 would have to pay ABSD on top of the existing buyer's stamp duty (BSD).

2.2 Affected Buyers:

- a. Foreigners and non-individuals.
- b. Singapore Permanent Residents (PR) who already own 1 or more residential properties, whether owned wholly, partially, or jointly with others.
- c. Singapore Citizens (SC) who already own 2 or more residential properties, whether owned wholly, partially, or jointly with others.

2.3 Stamp Duty Rates

BSD continues to be payable by all property buyers at unchanged rates.

The new ABSD is payable by affected buyers at fixed rates on the actual price paid or market value of the property whichever is the higher.

The rates for both BSD and ABSD are outlined in the table below : -

## **BSD and ABSD Rates**

Transaction	On and before 7 Dec 2011	On or after 8 Dec 2011	
	BSD* rates on the total purchase price or market value (whichever is higher)	BSD* rates on the total purchase price or market value (whichever is higher)	ABSD <sup>†</sup> rates on the total purchase price or market value (whichever is higher)
Foreigners and non-individuals (corporate entities) buying any residential property	1% on first \$180,000	1% on first \$180,000	+10%
PRs owning one and buying the <u>second and subsequent</u> residential property	2% on next \$180,000	2% on next \$180,000	+3%
SCs owning two and buying the <u>third and subsequent</u> residential property	3% for the remainder	3% for the remainder	+3%
PRs buying the first residential property	1% on first \$180,000	1% on first \$180,000	NIL
SCs buying the first and/ or second residential property	2% on next \$180,000 3% for the remainder	2% on next \$180,000 3% for the remainder	

\* The consideration or value has to be rounded up to the nearest \$100 before applying the rate.

† ABSD is to be rounded down to the nearest dollar.

### 2.4 Effective Date of implementation of ABSD

ABSD will apply to Contracts or Agreements (whichever is earlier), or Documents of Transfer\*, dated on or after 8 December 2011.

Where an Option To Purchase has been granted on or before 7 December 2011 and exercised thereafter on or before 28 December 2011, without any extension of the option validity period, ABSD will be remitted upon application (see Remission in paragraph 9).

*\*Where Contracts or Agreements are not applicable*

### **3 Properties to be included in the Count of Properties Owned**

#### **3.1 Count from Date of Contract or Agreement**

The property is to be included in the count of properties owned by a person if there is already a Contract or Agreement to purchase the property even though the property has not been legally transferred to him yet. This would include the purchase of an uncompleted unit from the developer whereby the Sale & Purchase Agreement has been signed. Similarly, the property is to be excluded from the count of properties owned by a person if there is already a Contract or Agreement to sell his property<sup>1</sup>.

#### **3.2 Include All Residential Properties (Wholly or Partly Residential)**

All residential properties are included in the count of properties owned by a person, whether he owns the property wholly or partially or jointly with others. These properties include:

- (a) All residential buildings including HDB flats, serviced apartments, mixed use building with residential component such as shophouse, shopflat, and shop with dwelling unit, etc
- (b) All the above buildings which are to be built or being built.
- (c) Vacant land and development sites for residential use.

*Remission applies to some purchases of HDB/HUDC flats and development sites [See Remission in paragraph 9]*

#### **3.3 Full Count for Partial Ownership and Joint Ownership**

As long as a person owns any share of interest in a property, that property will be included in the count of properties owned by him. For example, if a person jointly owns a property with his wife, and owns 20% share of another property with his sibling, the number of properties owned by him is counted as two.

#### **3.4 Exclude Properties Gazetted for Compulsory Acquisition**

All residential properties gazetted for compulsory acquisition will be excluded from the count of properties.

### **4 ABSD Rates Depend on Buyer/s' Profile/s**

#### **4.1 Purchase Made by One Buyer**

Whether ABSD is payable and which ABSD rate to apply depends on the profile of the buyer, in terms of his residency status and the count of residential properties owned by him.

Any foreigner and non-individual would have to pay ABSD rate at 10% each time they buy a residential property regardless of the number of properties owned.

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<sup>1</sup> When the buyer has exercised his option to buy the property.

A Singapore PR who has at least one count of residential property owned by him would have to pay ABSD rate at 3% for each additional residential property bought by him.

A SC who has at least two counts of residential properties owned by him would have to pay ABSD rate at 3% for each additional residential property bought by him.

#### 4.2 Purchase Made by Multiple Buyers with Different Profiles

If the property is jointly bought (either joint tenancy or tenancy-in-common) by buyers with different profiles, the higher ABSD rate will apply, regardless of his share in the interest of the property.

For example, if a foreigner, a Singapore PR and a SC jointly buy a property, with each owning a one-third share, the ABSD rate of 10% applicable to the foreigner shall apply. The amount of ABSD payable will be calculated based on 10% on the price or full value of the property.

*Remission applies to purchases by married couples of certain profile [See Remission in paragraph 9]*

### **5 Manner of Property Acquisition/Transfer**

5.1 The most common manner of property acquisition is by way of direct purchase. Properties may also be acquired or transferred in the following manner : -

(a) Via Gift, Inheritance, Release, Settlement;

(b) Via Declaration of Trust where the beneficial interest in the property passes to the beneficiary;

(c) Via Letter of Authority

(d) Via Exchange

All the above manner of property acquisition will similarly be subject to ABSD depending on the profile of the transferee, beneficiary and the intended transferee.

#### Example 1

If a property is bought by a SC who holds the property in trust for a beneficiary who is a foreigner, the ABSD rate of 10% applies based on the profile of the beneficiary.

#### Example 2

If a SC has contracted to purchase a property and subsequently transferred the property to his company via a Letter of Authority, the ABSD rate of 10% will apply as the intended transferee is a non-individual.

## **6 Purchase of Multiple Properties in One Transaction**

- 6.1 Although many properties may be bought under a single contract, each property will be counted as a separate property. If the SC or PR buyer has not reached his threshold count of properties that are not liable for the ABSD prior to his purchase of the multiple properties, he may choose any one of the multiple properties to include in the property count that is not subject to the ABSD.

For example, if a SC who does not own any property decides to purchase 3 properties in one contract, he may choose 2 of the properties purchased to be in the property count that is not subject to the ABSD.

## **7 Transfer of Partial Interest Amongst Co-owners**

- 7.1 The acquisition of additional interest in a property that the buyer already owns partially in the following scenarios would not attract ABSD :-
- i. A SC who owns 2 or less properties; or
  - ii. A PR who owns no or 1 property,

Where the SC and PR have not reached their threshold count of 2 properties and 1 property respectively.

### Example 1

If a SC owns 100% interest in one property and 50% interest in another property ("second property"), he will not be liable to pay ABSD when he acquires the remaining 50% interest in the second property.

### Example 2

If a PR owns 100% interest in one property and 50% interest in another property ("second property"), he will be liable to pay ABSD when he acquires the remaining 50% interest in the second property.

## **8 When is ABSD Payable**

- 8.1 ABSD, like the normal buyer's stamp duty (BSD), is payable within 14 days of:
- (i) Date of exercise of Option to Purchase (OTP) or Contract; or
  - (ii) Date of Sale & Purchase Agreement (where no OTP is granted); or
  - (iii) Date of transfer where (i) and (ii) are not available nor applicable.

## 9 Computation of BSD and ABSD

- 9.1 Stamp duty amount is computed by applying the relevant stamp duty rates on the actual price paid or market value of the property, whichever is the higher.

The BSD rate is a tiered-rate structure, i.e. 1% on the first \$180,000, 2% on the next \$180,000 and 3% on the amount exceeding \$360,000.

The applicable ABSD rates are flat rates of either 3% or 10% on the total sum.

For a mixed use building with residential component, ABSD is computed on the value of the residential component only, which may be determined by a professional valuer or adjudicated by IRAS.

### 9.2 Illustration of Computation of BSD and ABSD

Assume you are a foreigner and the actual price paid of \$2 million is a fair market value.

Computation of BSD :-

1% on first \$180,000	(\$180,000 x 1%)	\$1,800
2% on next \$180,000	(\$180,000 x 2%)	\$3,600
3% on remainder	(\$1,640,000 x 3%)	\$49,200
<b>BSD</b>	<b>\$54,600</b>	

The price paid or value has to be rounded up to the nearest \$100 before applying the rate.

Computation of ABSD :-

10% of \$2,000,000	\$200,000
<b>ABSD</b>	<b>\$200,000</b>

$$\begin{aligned}\text{Total Stamp Duty Payable} &= \$54,600 + \$200,000 \\ &= \$254,600\end{aligned}$$

You can calculate the total stamp duty payable using our stamp duty calculator available at our website at [www.iras.gov.sg](http://www.iras.gov.sg) > Stamp duty > Calculate Stamp Duty. The calculator in excel format can be downloaded for your future use.

## 10 Remission

### 10.1 Purchase of HDB/HUDC/EC Flats that are subject to HDB Regulations on Ownership<sup>2</sup>

Any purchase of new HDB flats (such as under BTO or DBSS), resale HDB flats, non-privatised HUDC flats and new EC flats, that are subject to HDB regulations on ownership, will not be subject to ABSD.

<sup>2</sup> See Section 47 of Housing and Development Act Cap (129)

In the event that the buyers own private residential properties and wish to downgrade to a HDB flat, HDB will allow a concessionary period<sup>3</sup> for them to sell their private residential properties.

Remission for such cases can be applied through HDB.

#### 10.2 Purchase by Married Couples with Mixed Residency Status – SC-PR, SC-Foreigner and PR-Foreigner

The general rule of applying a higher ABSD rate in respect of a joint purchase of a property may not apply to a joint purchase of a matrimonial property in some situations denoted with “#” in Table 3, Table 4 and Table 5 in Annex A

The lower ABSD rate may apply by way of remission. An application for the remission has to be submitted to IRAS.

#### 10.3 Foreigners under Free Trade Agreements (FTAs)

Foreigners of certain nationalities<sup>4</sup> who fall within the scope of the respective FTAs will be accorded with the same treatment as SCs.

Such buyers are required to submit an application for remission so as to enjoy the same treatment as SCs.

#### 10.4 Development Sites with 5 or More Residential Units

Remission of ABSD is allowed for development projects with more than 4 residential units, on the condition that the developer follows through the intention to develop the residential properties for sale. The developer may be eligible for remission of ABSD only if they are companies.

ABSD on the purchase of vacant residential land (include sites purchased from the Government), development sites, and en-bloc purchase of residential properties for the purpose of housing development of more than 4 units, may be remitted upfront subject to the buyer (developer) giving the undertaking to:

- a) Complete development and sell all the residential units in the development within 5 years of the date of Contract or Agreement to purchase the site.
- b) Produce the Qualifying Certificate where relevant and housing developer licence<sup>5</sup> within 2 years of the date of Contract or Agreement.
- c) Produce proof of piling and foundation works and any demolition works within 2 years of the date of Contract or Agreement.

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<sup>3</sup> See Section 48 of Housing and Development Act Cap (129)

<sup>4</sup> Nationals and Permanent Residents of Switzerland, Liechtenstein, Norway, Iceland and Nationals of United States of America.

<sup>5</sup> Developers without housing developer licence issued by Controller of Housing will not qualify for remission of ABSD.

d) Produce proof of disposal of all residential units in the development within 5 years of the date of Contract or Agreement to purchase the site.

If conditions (b) and (c) are not met, ABSD (with interest) becomes payable immediately upon the expiry of 2 years.

If condition (a) is not met, ABSD (with interest), becomes payable immediately upon the expiry of 5 years.

The undertaking has to be given by the due date for stamping. The template for the Letter of Undertaking can be found in Annex B. A soft copy can be downloaded from our website at [www.iras.gov.sg](http://www.iras.gov.sg) > Stamp Duty > Additional Buyer's Stamp Duty > Letter of Undertaking – Remission of ABSD for Residential Land (With 5 or More Residential Units)

#### 10.5 Development Sites With 4 or Less Residential Units

Remission of ABSD, on a case by case basis, may be allowed for development projects with 4 or less residential units, on the condition that the developer follows through the intention to develop the residential properties for sale.

The developer may be eligible for remission of ABSD only if they are companies, and lawfully carrying on the business of housing development.

ABSD on the purchase of vacant residential land (include sites purchased from the Government), development sites, and en-bloc purchase of residential properties for the purpose of housing development of 4 or less units, may be remitted subject to conditions. In submitting its request for remission, the buyer (developer) has to provide an undertaking to:

- a) Complete development and sell all the residential units in the new development within 3 years of the date of Contract or Agreement to purchase the site.
- b) Produce proof of piling and foundation works and any demolition works within 2 years of the date of Contract or Agreement.
- c) Produce proof of disposal of all residential units in the development within 3 years of the date of Contract or Agreement to purchase the site.

If condition (b) is not met, ABSD (with interest) becomes payable immediately upon the expiry of 2 years.

If condition (a) is not met, ABSD (with interest), becomes payable immediately upon the expiry of 3 years.

The undertaking has to be given by the due date for stamping. The template for the Letter of Undertaking can be found in Annex C. A soft copy can be downloaded from our website at [www.iras.gov.sg](http://www.iras.gov.sg) > Stamp Duty > Additional Buyer's Stamp Duty > Letter of Undertaking – Remission of ABSD for Residential Land (With 4 or Less Residential Units)

Each request for remission for development projects with 4 or less residential units will be considered on its own merits.

#### 10.6 Purchase of Land by Property Developer for Development by a Related Entity

Developers may tender for land using their holding company. When the tender is successful (referred as “first transaction”), the holding company may transfer the land to a newly incorporated or existing subsidiary (“referred as “second transaction”) to undertake the project development. This is referred specifically as a “Conveyance Direction” to the vendor of the land to transfer the land to the subsidiary. Such a transfer qualifies for normal BSD remission presently<sup>6</sup> if the requisite conditions under the Stamp Duties (Conveyance Directions) (Remission) Rules 2005 are satisfied.

With a Conveyance Direction, the developer is unable to qualify for ABSD remission on the first transaction as the legal entity in the first transaction is not undertaking the development and hence would not be able to meet the conditions for Qualifying Developers. The remission for developer will however cover the second transaction where the subsidiary undertakes the development and meets all the conditions for ABSD remission.

Remission of ABSD is allowed on the first and second transactions subject to the following conditions:

- The subsidiary, being a qualifying developer, shall meet the 2-year and 5-year condition for ABSD remission purpose, from the date of the first transaction.
- There is intention at the onset for the Conveyance Direction to be made;
- The Conveyance Direction is made within 2 months of the first transaction;
- The developer maintains a majority stake (more than 50% of the issued shares and voting rights) in the subsidiary; and
- No consideration is paid for the second transaction by the subsidiary to the holding company.
- Buyer's stamp duty has been paid on the first transaction.

#### 10.7 Amalgamation of Land for Development by Property Developers

A developer may buy a second or more plots of land (referred as “second transaction”) for amalgamation with its first purchase of land for development (“referred as “first transaction”). Such second or more plots of lands usually form part of a single development project.

In the case where the first transaction qualifies for ABSD remission, the developer may submit a request for remission in respect of subsequent purchases insofar as

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<sup>6</sup> Stamp Duties (Conveyance Directions) (Remission) Rules 2005. Note : Subsidiary must be a Singapore incorporated company.

the additional lands under the second transaction are amalgamated and developed as part of the development on the land in the first transaction. Each request for remission will be considered on its own merits. If the remission were approved, the qualifying developer would have to ensure that the whole development meets the remission conditions from the date of the first transaction.

In the case where the first transaction is not subject to ABSD, remission on the second transaction may also be considered on a case-by-case basis depending on the merits of each case, such as if the acquisition of the subsequent plot is contingent upon planning approval or if the plot acquired is incapable of independent development.

#### 10.8 Treatment for Purchase of Properties During Transitional Period

If a buyer of a private residential property has been granted Option to Purchase on or before 7 December 2011 and exercises it thereafter on or before 28 December 2011 (without any extension of the option validity period), remission of ABSD applies. Buyers will need to submit application for the remission.

#### 10.9 Application for Remission

All applications for remissions must be submitted to Commissioner of Stamp Duties, for consideration. A Certificate of Remission on ABSD will be issued upon approval.

You can submit your applications, together with the supporting documents to :-

Commissioner of Stamp Duties  
55 Newton Road  
Revenue House  
Singapore 307987

#### **List of supporting documents to be submitted upon application**

<b>Application of Remissions By</b>	<b>Documents in copy to be submitted</b>
Buyers of flats under HDB regulations who are granted concessionary period to sell their private properties	Application will be processed by HDB
Married couples with mixed residency status  (SC-PR, SC-Foreigner and PR-Foreigner)	<ul style="list-style-type: none"> <li>• Marriage certificate</li> <li>• Identification document</li> <li>• Acceptance to Option to Purchase / Sale and Purchase Agreement / Contract</li> <li>• ABSD Declaration Form</li> </ul>

Foreigners under FTA	<ul style="list-style-type: none"> <li>• Identification document</li> <li>• Acceptance to Option to Purchase / Sale and Purchase Agreement / Contract</li> <li>• ABSD Declaration Form</li> </ul>
Housing developers	Please refer to paragraph 10.4 and 10.5 for details
Buyers during transitional period	<ul style="list-style-type: none"> <li>• Acceptance to Option to Purchase / Sale and Purchase Agreement / Contract</li> <li>• ABSD Declaration Form</li> </ul>

Please proceed to pay BSD while applying for remission.

## 11 Administrative Procedures

### 11.1 Date of Stamping and Payment Due Date

A document is considered to be duly stamped only when stamp duty is fully paid. The full amounts of BSD and ABSD must be paid within 14 days of the Contract or Agreement or Transfer, whichever is the earliest. Where the document is executed overseas, BSD and ABSD must be paid within 30 days of the receipt of the Document in Singapore.

### 11.2 Stamping Procedures

Prior to 15 December 2011, ABSD can be paid by submitting a copy of the document to the Commissioner of Stamp Duties, together with the cheque for the total stamp duty payment (both BSD and ABSD), and a duly signed ABSD Declaration Form (see Annex D). Stamp certificate will be mailed within 5 working days after the cheque is cleared.

From 15 December 2011 onwards, e-stamping for ABSD will be available at the e-Stamping website (<https://estamping.iras.gov.sg>).

### 11.3 ABSD Declaration Form

With effect from 8 December 2011, all buyers of residential properties (except non individuals/ corporate entities) are required to fill in a ABSD Declaration Form, to be witnessed by their lawyers. A copy of the form can be found in Annex D. A soft copy can be downloaded from our website at [www.iras.gov.sg](http://www.iras.gov.sg) > Stamp Duty > Additional Buyer's Stamp Duty > ABSD for Residential Properties Declaration Form

The completion of this form is **mandatory** for:

- (a) OTP granted before 8 December 2011 and exercised on and before 28 December 2011.
- (b) Contract or Sale & Purchase Agreement (whichever is earlier) dated on or after 8 December 2011
- (c) Transfer document dated on or after 8 December 2011 if there is no OTP granted nor Contract nor Agreement.

Law firms are to retain the original declaration forms. These forms need not be submitted to IRAS, but IRAS may request for them for audit purposes. If the buyers are liable to pay ABSD, law firms are to fax a copy of the completed declaration form to IRAS at Fax no. 6351 3694.

## **12 Implications of Non-payment of ABSD**

- 12.1 If the buyer or transferee is liable but fails to pay ABSD, the document is considered not duly stamped. Non-stamping of document without any lawful excuse is an offence.

Audit checks will be conducted. If IRAS discovers any case of unpaid ABSD, it would recover the unpaid duty with penalties imposed. Under the Stamp Duties Act, a penalty of 4 times the amount of unpaid duty can be imposed.

## 13 Frequently Asked Questions

### One-Buyer Scenarios

**Q1. I am a SC currently owning 2 private apartments. I intend to sell one of the apartments and buy a terrace house. Does ABSD apply when I buy the terrace house?**

Since you are buying your third property, ABSD rate of 3% applies when you buy the terrace house. But if you have already contracted to sell your apartment before you exercise the Option to buy the terrace house, ABSD does not apply when you buy the terrace house.

**Q2. I am a SC currently owning a HDB flat and a private apartment. My mother intends to transfer her house to me by way of a gift. Does ABSD apply when she transfers her house to me?**

Since you currently own 2 residential properties, the house given to you will be your third property. Hence the ABSD rate of 3% applies when the house is transferred to you.

**Q3. I am a SC currently owning a private apartment. I also have a 10% share in another residential property which I have inherited from my late mother. Does ABSD apply when I buy another apartment?**

Since you currently own 2 residential properties, either wholly or partially, the apartment that you buy will be counted as your third property. As such, the ABSD rate of 3% applies.

**Q4. I am a SC currently owning a house. I am buying an apartment to be held in trust for my Hong Kong friend. Does ABSD apply?**

When you buy the apartment as a trustee, you are required to declare the identity of the beneficiary, who is the intended owner. Since the beneficiary in this case is a foreigner, the ABSD rate of 10% applies.

**Q5. I am a SC and I do not own any residential property. I intend to buy a residential block of 10 apartments in one transaction. How is ABSD computed?**

Since you do not own any residential property before this purchase, ABSD does not apply to any 2 of the 10 apartments. For the remaining 8 apartments, the ABSD rate of 3% will apply. You may choose any 2 apartments to be excluded from ABSD.

**Q6. I am a PR currently owning a private apartment. I intend to sell it and downgrade to a HDB flat. Does ABSD apply when I buy the HDB flat?**

If you have already contracted to sell your private apartment before you buy the HDB flat, ABSD will not apply. But if you have not sold your private apartment, and if HDB allows a concession period for you to dispose of your existing private property, you may apply for the remission of ABSD through HDB.

**Q7. I am a citizen of United States of America. There is a Free Trade Agreement signed between USA and Singapore. I am also a Singapore PR. Which ABSD rate will apply to me when I buy residential property in Singapore?**

You will be accorded the same treatment as a SC, i.e. ABSD rate of 3% will apply when you buy the third or additional residential property in Singapore.

#### Multiple Buyers Scenarios

**Q8. My wife and I are SCs and we currently co-own a house. We intend to buy another private apartment. Does ABSD apply?**

ABSD does not apply because each of you owns 1 property prior to your purchase of the apartment. ABSD applies only when either one of you purchase a third property.

**Q9. I am a SC and I currently do not own any residential property. My sister who is also a SC currently co-owns 2 apartments with her husband. Both of my sister and I intend to buy a house in joint names. Does ABSD apply when we buy the house?**

While this house will be your first property, it will be your sister's third property. As such, the ABSD rate of 3% applies when both of you buy the house.

**Q10. I am a SC and I co-own 2 residential properties with my parents. I am getting married to a foreigner who currently owns an apartment. Both of us intend to buy our first matrimonial home in joint names. Do we qualify for the married couple ABSD remission when we buy our first matrimonial home?**

The ABSD remission for married couple (SC and foreigner) applies only if the number of properties owned (separately or jointly) by the married couple after the new purchase is 2 or less. In your case, the total number of properties owned by you and your spouse after the new purchase is 4. Hence you do not qualify for the remission. ABSD rate of 10% applies since your spouse is a foreigner.

**Q11. I am a PR and I co-own a HDB flat with my parents. I am married to a foreigner who does not own any property. Both of us intend to buy our first matrimonial home to be shared equally. Do we qualify for the married couple ABSD remission?**

The ABSD remission for married couple (PR and foreigner) applies only if the number of properties owned (separately or jointly) by the married couple after the new purchase is not more than 1. In your case, the total number of properties owned by you and your spouse after the new purchase is 2. Hence you do not qualify for the remission. ABSD rate of 10% applies since your spouse is a foreigner.

**Q12. I am a SC and I co-own a house with my parents. My husband who is also a SC co-owns 2 private apartments with his parents. We intend to buy our first matrimonial home in joint names. Does ABSD apply?**

For married couples who are both SCs, the ABSD rate applicable in their joint purchase will be the same as joint purchase made by any other SC buyers who are not a married couple. While the matrimonial home will be your second property, it will be your husband's third property. As such, the ABSD rate of 3% applies.

#### Property Count

**Q13. I am a SC currently owning two residential properties abroad but none in Singapore. Does ABSD apply when I buy my first residential property in Singapore?**

Only residential properties in Singapore are included in the property count which is used to determine the liability to pay ABSD. As this is your first residential property in Singapore, ABSD does not apply.

**Q14. I am a PR currently owning a landed property. I intend to buy an adjacent remnant piece of land from the State to extend my garden. Does ABSD apply when I buy the remnant state land?**

The purchase of the remnant piece of state land is treated as a purchase of your second property. As such, the ABSD rate of 3% applies.

**Q15. I am a PR currently owning 50% share in a private apartment with my friend. Does ABSD apply when I buy over the remaining 50% share from my friend?**

ABSD does not apply since you have not reached the threshold of owning more than 1 property prior to the purchase.

**Q16. I am a SC currently owning a private apartment and a landed property. My landed property has been gazetted for compulsory acquisition by the Government. Before legal possession by the government, I intend to buy another landed property. Does ABSD apply when I buy the new property?**

Properties gazetted for compulsory acquisition will be excluded from the count of properties. You are considered to own only 1 property. As such, ABSD will not apply on your purchase of another property.

Purchase of Development Sites (By Developers)

**Q17. My property development company intends to purchase a piece of land to build more than 4 houses. Does my company need to pay ABSD for the purchase of land?**

Your company may apply for remission upfront if an undertaking can be given to fulfil certain conditions. For more information on the conditions, please refer to paragraph 10 of this e-tax guide.

**Q18. My property development company has been granted ABSD remission upfront. In the event that there is a delay in the completion of the development beyond 5 years from the date of purchase of the land, would there be a clawback of the ABSD?**

Yes, there would be a clawback of ABSD if your company is unable to fulfil the condition of completing and selling all the units in the development by the end of the fifth year. ABSD with interest will become payable immediately upon the expiry of the 5-year period.

**Q19. My property development company was granted ABSD remission upfront for an enbloc purchase of an old housing development. Will my company still be entitled to ABSD remission if it subsequently sells the development site to another developer who will continue with the development?**

There will be a clawback of ABSD with interest since your company has failed to fulfil the condition to develop and sell all the units in the development. ABSD with interest will become payable immediately upon the sale of the development site to another developer.

However, if your company is selling all the units (to be developed by your company) in the development to another party before the expiry of 5 years, your company is entitled to the ABSD remission if all the other qualifying conditions, such as completion of the development, are fulfilled.

**Q20. My property development company intends to buy a development site to build 5 units of residential properties for shareholders' occupation. Titles to the properties remain in the company's name. Will my company still be entitled to the ABSD remission?**

To qualify for the remission, all the units developed must be sold. If there is no intention to dispose of all the units, your company will not qualify for the remission.

**Q21. Are residential units in the project sold to developers' staff, directors, subsidiaries and related companies considered as due disposal?**

Yes, they are considered as due disposal.

**Q22. For residential sites developed in phases in the same site, do the conditions for remission apply to phase 1 only or to the entire site?**

The conditions for remission apply to the entire site that was bought for the development. Hence if only part of the entire site is to be developed within the 5-year timeframe, ABSD remission does not apply.

**Q23. For clawback of ABSD with interest, how is interest calculated?**

Interest is calculated at a rate of 5%<sup>7</sup> per annum commencing from 14 days after the date of acquisition of the site.

**Q24. My company intends to pay differential premium for the lease extension of a residential land. Does ABSD apply? If so, are we eligible for the ABSD remission?**

Yes, ABSD applies on the differential premium paid on residential land. ABSD remission does not apply to differential premium.

**Q25. My company intends to buy an industrial building to redevelop it into a residential project. Does ABSD apply? If so, are we eligible for the ABSD remission?**

ABSD applies to lands that are zoned Residential in the Master Plan. If the current zoning is not Residential and development charge is payable to rezone the land to Residential use, ABSD applies on the development charge paid to rezone the land to Residential use. ABSD remission does not apply to development charge.

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<sup>7</sup> Subject to review.

**Q26. If my company intends to buy an old bungalow plot to build 4 units of terrace houses for sale. Are we eligible for the ABSD remission?**

Remission for the smaller sites (4 units or less) is allowed on a case-by- case basis, based on the merits of the case, and subject to the conditions. For more information on the conditions, please refer to paragraph 10 of this e-tax guide.

**Q27. Our company has earlier bought a residential plot of land (first transaction) on which ABSD remission has been approved by the Commissioner of Stamp Duties subject to the fulfillment of the requisite conditions. Now we intend to purchase an adjoining plot and develop the two amalgamated plots into a single housing project. Does ABSD apply on the purchase of the adjoining plot? If so, are we eligible for the ABSD remission?**

ABSD applies on the purchase of the adjoining plot. However remission may be allowed on a case-by-case basis subject to the following conditions:-

- The adjoining plot is amalgamated with the first plot to be developed as part of a single development
- The developer has to ensure that the whole development meets the remission conditions from the date of the first transaction.

Each request for remission will be considered on its own merits.

**Q28. Our company intends to buy an adjoining plot of land for amalgamation with our existing land, for development of a single housing project. Can the ABSD remission be granted for the purchase of the adjoining plot?**

Remission may be considered on a case-by- case basis, based on the merits of the case. If the adjoining plot is incapable of development or if the acquisition is contingent on the planning approval by the Competent Authority, remission may be granted subject to conditions.

Payment

**Q29. When must BSD and ABSD be paid?**

BSD and ABSD must be paid within 14 days from the date of the signed Contract or Agreement. Where the Contract or Agreement is executed (signed) overseas, BSD and ABSD must be paid within 30 days of the receipt of the Contract or Agreement in Singapore. A document is considered to be duly stamped only when stamp duty is fully paid. Audit checks will be conducted by IRAS to ensure that BSD and ABSD are duly paid. Under the Stamp Duties Act, a penalty of 4 times the amount of unpaid duty can be imposed.

**Q30. I am eligible for the remission of ABSD for my purchase of residential property. Can I defer payment of both BSD and ABSD pending Commissioner's approval of the remission?**

You need to pay BSD within 14 days even if you are applying for remission of ABSD. If Commissioner's approval is granted, a remission certificate for ABSD will be issued to you. You will be informed to pay the ABSD by a specified date if the Commissioner's approval is not granted.

**Q31. What if I do not have enough funds to pay ABSD? Can ABSD be deferred or paid by instalments?**

Stamp duty is an upfront cost that a buyer has to consciously set aside when he decides to purchase a property. It cannot be deferred. Stamp duty must be paid in full. Inadequate payment of stamp duty is tantamount to non-stamping.

**Q32. How do I pay ABSD?**

From now till 15 December 2011, please submit a copy of your documents and cheque for total stamp duty payment (both BSD and ABSD) to Commissioner of Stamp Duties. You also need to enclose a duly signed ABSD for Residential Properties Declaration Form (see Annex D).

From 15 December 2011 onwards, you may use our online e-stamping facility to pay ABSD under a new form named **Sale and Purchase of Immovable Property (Additional Buyer's Stamp Duty)**. You may locate this form under the header of 'Sale & Purchase of Immovable Properties' in the e-Stamping website. As such, you no longer need to submit your documents to IRAS for stamping and payment of ABSD after 15 December 2011.

#### Others

**Q33. If a seller were to backdate the date of offer of his Option upon the request of the buyer to avoid paying ABSD, is this an offence?**

Yes, it is an offence under Section 62 of Stamp Duties Act to evade stamp duty by executing a document where facts and circumstances are not fully and truly set forth. Any person guilty of such an offence shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both.

**Q34. I am a foreigner and the developer has offered me a 10% discount of the purchase price (by way of direct cash rebate or gift vouchers or other freebies) to help me offset the ABSD payable. I understand that this discount is only offered to foreigners. Is stamp duty payable based on the price before discount or after discount?**

If the discount is not given to all buyers and the price paid by you is below the market value that the majority of the buyers pay, you are to declare the market value (which

is the price before discount) and pay stamp duty based on the market value of the property.

**Q35. I have bought a new property without having to pay ABSD because I managed to sell my old property just before the purchase of my new property. However my buyer has now aborted the purchase of my old property. Would there be a clawback of ABSD on the purchase of my new property?**

Whether the ABSD will be clawed-back from you would depend on the circumstances of the case. In addition, the Commissioner may invoke the anti-avoidance provision under Section 33A of the Stamp Duties Act if there is a reason to suspect that the sale of your old property was fictitious and was schemed to avoid or reduce payment of ABSD.

## **14 Contact Information**

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](mailto:estamp@iras.gov.sg)

**ABSD Rates for Joint Purchases made by Married Couples**

- For married couples who are both SCs, the rate applicable in their joint purchase will be the same as SC buyers who are not a married couple. For e.g. if the husband already owns 2 residential properties, the next property he owns with his wife will be subject to ABSD rate of 3%.
- For married couples who are both PRs, the rate applicable in their joint purchase will be the same as PR buyers who are not a married couple. For e.g. if the husband already owns 1 residential property, the next property he owns with his wife will be subject to ABSD rate of 3%.

**Table 1: Married Couple who are both SC**

No. of properties currently owned* by each spouse		Co-Purchase of next property	No. of properties owned* by SC1 after co-purchase	No. of properties owned* by SC2 after co-purchase	ABSD rate to be applied
SC1	SC2				
0	0	1	1	1	0%
1	0		2	1	0%
0	1		1	2	0%
1	1		2	2	0%
2	0		3	1	3%
2	2		3	3	3%
2	2				

**Table 2: Married Couple who are both PR**

No. of properties currently owned* by each spouse		Co-Purchase of next property	No. of properties owned* by PR1 after co-purchase	No. of properties owned* by PR2 after co-purchase	ABSD rate to be applied
PR1	PR2				
0	0	1	1	1	0%
1	0		2	1	3%
0	1		1	2	3%
1	1		2	2	3%
2	0		3	1	3%
2	2		3	3	3%
2	2				

\* Properties owned include those owned wholly, or owned partially or jointly with others

**Table 3: Married Couple who are SC and PR**

No. of properties currently owned* by each spouse		Co-Purchase of next property	No. of properties owned* by couple after co-purchase	ABSD rate to be applied
SC	PR			
0	0	1	1	0%
1	0		2	0%
0	1		2	0% #
Co-own 1			2	0% #
1	1		3	3%
0	2		3	3%
2	0		3	3%
Co-own 2			3	3%

# - Subject to approval of the application for remission

**Table 4: Married Couple who are SC and Foreigner**

No. of properties currently owned* by each spouse		Co-Purchase of next property	No. of properties owned* by couple after co-purchase	ABSD rate to be applied
SC	Foreigner			
0	0	1	1	0% #
1	0		2	0% #
0	1		2	0% #
Co-own 1			2	0% #
1	1		3	10%
0	2		3	10%
2	0		3	10%
Co-own 2			3	10%

\* Properties owned include those owned wholly, or owned partially or jointly with others

# - Subject to approval of the application for remission

**Table 5: Married Couple who are PR and Foreigner**

No. of properties currently owned* by each spouse		Co-Purchase of next property	No. of properties owned* by couple after co-purchase	ABSD rate to be applied
PR	Foreigner			
0	0	1	1	3% #
1	0		2	10%
0	1		2	10%
Co-own 1			2	10%
1	1		3	10%

\* Properties owned include those owned wholly, or owned partially or jointly with others

# - Subject to approval of the application for remission

Commissioner of Stamp Duties  
Inland Revenue Authority of Singapore  
55 Newton Road  
Revenue House  
Singapore 307987

Dear Sir

**LETTER OF UNDERTAKING IN RELATION TO REMISSION OF ADDITIONAL BUYER'S STAMP DUTY (ABSD) FOR RESIDENTIAL LAND (WITH 5 OR MORE RESIDENTIAL UNITS)**

I, [Name of director], [NRIC/FIN/Passport No.], of [Name of company], undertake that [Name of company] will:

- (a) complete the development of land for more than 4 residential properties and sell all residential properties within 5 years from the date of Contract or Agreement to purchase the site or Transfer (whichever is earlier) ('Transaction Date').
- (b) submit the following documentations to the Inland Revenue Authority of Singapore ('IRAS'): -
  - i) A copy of a Qualifying Certificate (QC) issued by the Controller of Residential Property, where relevant, and a housing developer licence issued by the Controller of Housing, within 2 years from the Transaction Date;
  - ii) Proof of commencement of piling and foundation works and any demolition works, within 2 years from the Transaction Date;
  - iii) Proof of disposal of all residential properties in the development within 5 years from the Transaction Date, which will include a list of residential properties sold (with details of buyers); and
  - iv) a list of residential properties sold (with details of buyers) and residential properties unsold as at 5 years from the Transaction Date, within 5 years and 1 month from the Transaction Date, in the event that not all residential properties in the development are sold within 5 years from the Transaction Date.
- (c) pay to the Commissioner of Stamp Duties as a debt due to the Singapore Government an amount equal to the ABSD remitted as a result of this undertaking, together with interest thereon at the rate of 5% per annum from 14 days after the Transaction Date, if any of the undertakings in sections (a) and/or (b) are not met.
- (d) pay the amount recoverable by the Commissioner under section (c) at the place stated in a notice served by the Commissioner on [name of Company] within one month after the service of the notice by the Commissioner on [name of Company].

Yours faithfully,

[Name]  
[Designation]

Commissioner of Stamp Duties  
Inland Revenue Authority of Singapore  
55 Newton Road  
Revenue House  
Singapore 307987

Dear Sir

**LETTER OF UNDERTAKING IN RELATION TO REMISSION OF ADDITIONAL BUYER'S STAMP DUTY (ABSD) FOR RESIDENTIAL LAND (WITH 4 OR LESS RESIDENTIAL UNITS)**

I, [Name of director], [NRIC/FIN/Passport No.], of [Name of company], undertake that [Name of company] will:

- (a) complete the development of land for 4 or less residential properties and sell all residential properties within 3 years from the date of Contract or Agreement to purchase the site or Transfer (whichever is earlier) ('Transaction Date').
- (b) submit the following documentations to the Inland Revenue Authority of Singapore ('IRAS'): -
  - i) Proof of commencement of piling and foundation works and any demolition works, within 2 years from the Transaction Date;
  - ii) Proof of disposal of all residential properties in the development within 3 years from the Transaction Date, which will include a list of residential properties sold (with details of buyers); and
  - iii) a list of residential properties sold (with details of buyers) and residential properties unsold as at 3 years from the Transaction Date, within 3 years and 1 month from the Transaction Date, in the event that not all residential properties in the development are sold within 3 years from the Transaction Date.
- (c) pay to the Commissioner of Stamp Duties as a debt due to the Singapore Government an amount equal to the ABSD remitted as a result of this undertaking, together with interest thereon at the rate of 5% per annum from 14 days after the Transaction Date, if any of the undertakings in sections (a) and/or (b) are not met.
- (d) pay the amount recoverable by the Commissioner under section (c) at the place stated in a notice served by the Commissioner on [name of Company] within one month after the service of the notice by the Commissioner on [name of Company].'

Yours faithfully,

[Name]  
[Designation]

**ADDITIONAL BUYER'S STAMP DUTY  
FOR PRIVATE RESIDENTIAL PROPERTIES  
SECTION 22 STAMP DUTIES ACT  
DECLARATION FORM**



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

- This form serves to help the Commissioner of Stamp Duties and the conveyancing lawyers ascertain the liability of the buyer in paying Additional Buyer's Stamp Duty (ABSD). The completion of the form is **mandatory**.
- Where ABSD is payable, the form must be submitted to IRAS for record. Please fax the form to IRAS at 6351 3694 within 14 days of the date of execution of the Agreement / Contract. Where ABSD is not payable, please retain the form. IRAS may request for it for audit purposes.
- If ABSD is applicable but not paid, the document is not considered duly stamped even if the buyer has stamped and paid the buyer's stamp duty (BSD) on the document.
- ABSD is payable within 14 days of the date of execution of the Agreement / Contract. IRAS takes a very serious view on non-payment of stamp duty. Penalties of up to 4 times the stamp duty owed will be imposed on the buyer if the stamp duty is not fully paid or not paid on time.
- Please note that any person who furnishes information that is false or misleading shall be guilty of an offence under Section 65 of the Stamp Duties Act.

**1 PROPERTY**

Address :

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**2 DOCUMENT DATE**

If Option to Purchase (OTP) is granted before 8 December 2011, please state the Option Grant Date : \_\_\_\_\_

If OTP is granted on and after 8 December 2011, please state the date of Acceptance to OTP or Sale and Purchase Agreement : \_\_\_\_\_

In the absence of OTP, please state the date of Sale and Purchase Agreement :  
\_\_\_\_\_

If the absence of OTP and Sale and Purchase Agreement, please state the date of Transfer :  
\_\_\_\_\_

### 3 BUYER/BENEFICIARY'S PROFILE AND LIABILITY

This is a purchase made by (please tick accordingly) : -

- (i) Single buyer/beneficiary
- (ii) Multiple buyers /beneficiaries
- (iii) Married couple


If the **property** is **acquired under a Trust** arrangement, please state the date of Declaration of Trust : \_\_\_\_\_.

### 4 DETAILS ON RESIDENTIAL PROPERTIES OWNED

Details of Buyer/ Beneficiary	Address of properties owned prior to purchase of current property	Wholly owned	Co-owned or partially owned
		Please tick (√) whichever is applicable	
<b>Name:</b> _____ _____			
Citizenship : Singapore Citizen / Permanent Resident / Foreigner  For foreigner, please state nationality : _____			
NRIC / FIN / Passport No. : _____ _____			
<b>Name:</b> _____ _____			
Citizenship : Singapore Citizen / Permanent Resident / Foreigner  For foreigner, please state nationality : _____			
NRIC / FIN / Passport No. : _____ _____			

<b>Name:</b> _____ _____			
Citizenship : Singapore Citizen / Permanent Resident / Foreigner  For foreigner, please state nationality : _____			
NRIC / FIN / Passport No. : _____			

Please use a separate sheet if the space provided is insufficient.

Is this purchase subject to ABSD?  
 If yes, what is the ABSD rate applicable?

Yes/ No  
 3% / 10%

## 5 DECLARATION

\*For buyer/beneficiary who is overseas, the form has to be witnessed by a Notary Public.

I confirm that the above information is correct.

Declared by :

Witnessed by :

\_\_\_\_\_  
 Signature of Buyer/  
 Beneficiary

\_\_\_\_\_  
 Name & Signature of  
 Solicitor/ Notary Public\*

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature of Buyer/  
 Beneficiary

\_\_\_\_\_  
 Signature of Buyer/  
 Beneficiary