

# **IRAS CIRCULAR**

## **STAMP DUTY ON SERVICED APARTMENTS**



**INLAND REVENUE  
AUTHORITY  
OF SINGAPORE**

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President  
Serviced Apartments Association

## **STAMP DUTY ON SERVICED APARTMENTS**

We refer to our dialogue session with your Association on 18 Oct 2005, where we discussed, inter alia, the chargeability of instruments relating to serviced apartments.

We wish to state our position that when an instrument pertaining to the occupation of the serviced apartment creates a licence rather than a lease, stamp duty is not chargeable. A licence (unlike a lease) does not confer exclusive possession of a property and there is also the absence of an intention to create the relationship of landlord and tenant between the parties.

However, an instrument labelled as a "licence" does not necessarily escape stamp duty if it is in substance a "lease". The determination will be based on the facts of the case. Where an instrument is determined in substance to be a "lease", ad valorem stamp duty would still be chargeable under First Schedule Article 8 of the Stamp Duties Act.

We would appreciate it if you could disseminate the contents of this letter to the members of your Association.

Thank you.

Yours faithfully

DAPHNE NG SIEW KWANG (MRS)  
DIRECTOR  
PROPERTY TAX DIVISION (VALUATION AND STAMP DUTY)  
for COMMISSIONER OF STAMP DUTIES