

IRAS e-Tax Guide

STAMP DUTY TREATMENT FOR THE ACQUISITION OF MULTIPLE PROPERTIES (Second Edition)



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Second Edition changes

Rephrase the title “Stamp Duty Treatment for Properties Acquired on an En Bloc or Block Basis” with “Stamp Duty Treatment for the Acquisition of Multiple Properties”.

Paragraphs

1 and 2 - Rephrased paragraphs 1 and 2
3 - Introduce new paragraph 3

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1. Aim

- 1.1 This guide serves to explain the stamp duty treatment where multiple properties are acquired collectively.

2. At a Glance

- 2.1 Where multiple properties are acquired collectively, stamp duty should be calculated on the total purchase price of the multiple properties provided that there is a single contract for the purchase of the multiple properties or the purchases of the multiple properties are dependent and conditional of one another.

3. Prima Facie Indicators of Collective Sale and Purchase of Multiple Properties

- 3.1 The followings are some prima facie indicators that the Commissioner will look principally as indicative of a collective sale and purchase of the multiple properties. Please note that the Commissioner is not precluded from considering other relevant matters not specified in the list below, as evidencing a collective sale and purchase of the multiple properties:

- (a) Letter of Acceptance to purchase the multiple properties follows from the Letter of Offer to sell multiple properties;
- (b) A requirement for the exercise of Option and the completion to be carried out simultaneously with the sale of the other properties;
- (c) All the purchase contracts for the multiple properties are dependent and conditional of one another. An example of such clause is as follows:

“The Vendor and the Purchaser shall not be obliged to complete the sale and purchase of the Property unless and until completion of the Other Properties shall occur simultaneously. Provided Always that the Purchaser may in its absolute discretion by written notice to the Vendor’s solicitors proceed to complete the purchase of the Property”
- (d) A vendor’s intention to sell is dependent on other vendors’ intention to sell their properties;
- (e) A provision in the option or sale and purchase agreement stating that purchaser is not obliged to complete the transaction if the other vendors do not sell their properties;

- (f) An indemnity clause in the option or sale and purchase agreement stating to the effect that in the event of any default and/or failure on the part of any or all of the vendors of the properties to complete the sale and purchase pursuant to an option granted, the defaulting vendor(s) shall be liable to the other vendors of the properties and the purchaser and to indemnify them against all costs, charges, expenses, interest and/or damages;
- (g) A provision in the option or sale and purchase agreement stating to the effect that in the event of any default by any vendor(s), all the vendors of the properties are jointly liable to the purchaser;
- (h) The option is granted on the basis that the purchaser is able to obtain simultaneously all duly signed options to purchase from all vendors of the properties.

4. Implications of Non-payment of Stamp Duty

- 4.1 The Stamp Duties Act provides for a penalty of up to 4 times the amount of deficient duty for a document that is insufficiently stamped. Similarly, a penalty of up to 4 times the stamp duty due may be imposed for stamping after the stipulated time period.

5. Contact Information

- 5.1 For enquiries on this Guide, please contact:

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