

# FACT SHEET ON NEW ABSD RATES FOR ACQUISITIONS MADE ON / AFTER 27 APR 2023



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

## 1. Aim

1.1 This factsheet provides a summary of the

- Adjusted ABSD rates for acquisitions made on/after 27 Apr 2023;
- Transitional ABSD remission for acquisition of residential properties (“ABSD Transitional Remission”); and
- Frequently Asked Questions (“FAQs”).

## 2. ABSD Rate Structure

2.1 Additional buyer’s stamp duty (“ABSD”) is payable on the acquisition of residential properties<sup>1</sup>, based on the higher of the consideration or market value. The ABSD rate applicable depends on the profile of the buyer. For purchases made jointly by two or more buyers of different profiles, the highest applicable ABSD rate will apply on the entire value of the property purchased.

2.2 To promote a sustainable property market, the ABSD rates would be adjusted and apply to acquisitions on or after 27 Apr 2023 (see Table 1 below).

Table 1 – ABSD Rates<sup>2</sup>

| Profile of buyer  | Old ABSD Rates<br>16 Dec 2021 to 26 Apr 2023 | New ABSD Rates<br>On or after 27 Apr 2023 |
|---|--|---|
| SC <sup>^</sup> buying 1 <sup>st</sup> residential property     | 0%   | 0%  |
| SC buying 2 <sup>nd</sup> residential property                  | 17%  | 20%                                       |
| SC buying 3 <sup>rd</sup> and subsequent residential property   | 25%  | 30%                                       |
| SPR* buying 1 <sup>st</sup> residential property                | 5%   | 5%  |
| SPR buying 2 <sup>nd</sup> residential property                 | 25%  | 30%                                       |
| SPR buying 3 <sup>rd</sup> and subsequent residential property  | 30%  | 35%                                       |
| Foreigners (FR) buying any residential property                 | 30%  | 60%                                       |
| Entities buying any residential property                        | 35%  | 65%                                       |
| Housing Developers <sup>#</sup> buying any residential property | 35%  | 35%                                       |
|   | Plus additional 5%<br>(non-remittable)       | Plus additional 5%<br>(non-remittable)    |
| Trustees buying any residential property                        | 35%<br>(wef 9 May 2022)                      | 65%                                       |

<sup>^</sup>SC refers to Singapore Citizens

<sup>\*</sup>SPR refers to Singapore Permanent Residents

<sup>#</sup>Housing Developers refer to entities in the business of housing development (i.e. construction and sale of housing units) with respect to the subject property acquired. (Note: This definition of Housing Developer is the condensed version. You may refer to paragraph (1) of Article 3 to the Stamp Duties Act for the full definition.)

All entities will be subject to the new ABSD rate of 65%. Housing developers are subject to the ABSD rate of 35% and an additional non-remittable ABSD rate of 5% upon stamping, i.e. aggregate ABSD rate of 40%. Such developers may apply for upfront remission on the ABSD rate of 35% under the Stamp Duties (Non-Licensed Housing Developers) (Remission of ABSD) Rules and the Stamp Duties (Housing Developers) (Remission of ABSD) Rules<sup>3</sup> (collectively referred to as “ABSD Housing Developers Remission”).

Entities who are acquiring residential properties with no intention to undertake housing development of the subject property acquired should pay the ABSD rate of 65%.

It is important for the purchasing entity to decide whether it will undertake housing development of the subject property **at the point of purchase**, in order to ascertain the ABSD treatment. Any subsequent change of intention will not be considered for stamp duty purposes. For example, entities who paid the ABSD rate of 65% will not qualify for the ABSD Housing Developers Remission, even if they fulfil the remission conditions subsequently.

2.3 **All buyers / transferees (i.e. individuals, entities, housing developers) are required to complete the [ABSD Declaration Form](#) to be witnessed by their lawyers (if applicable).** The completed form need not be submitted to IRAS, unless requested.

<sup>1</sup> There is no change to the scope of residential properties which you may refer to [www.iras.gov.sg](http://www.iras.gov.sg) for the definition.

<sup>2</sup> For rates before 16 Dec 2021, please refer to [www.iras.gov.sg](http://www.iras.gov.sg).

<sup>3</sup> The conditions for the remission include commencement of the housing development within 2 years from the date of acquisition, and completion and sale of all units of housing accommodation in the development within 3 or 5 years from the date of acquisition. For the full list of conditions, please refer to the below links:

- [Remission conditions for development of 4 or less units of housing accommodation](#)
- [Remission conditions for development of 5 or more units of housing accommodation](#)

### 3. [NEW] ABSD Transitional Remission<sup>4</sup>

3.1 There will be a transitional provision where ABSD rates before 27 April 2023 will apply for cases that meet all of the following conditions:

- (i) The option to purchase (“OTP”) is granted by sellers to potential buyers on or before 26 Apr 2023;
- (ii) This OTP is exercised<sup>5</sup> on or before 17 May 2023, or within the OTP validity period, whichever is earlier; and
- (iii) This OTP has not been varied (including any extension of the validity period) on or after 27 Apr 2023.

There will be no extension of the deadlines in the ABSD transitional remission rules. This is even if the validity period of the OTP extends beyond or commences after 17 May 2023. The ABSD remission will not be granted if any of the conditions are not met.



There will be **no extension** of the ABSD transitional remission rules timeline. The ABSD remission will **not be granted** if any of the conditions are not met.

### 4. Remission Application or Stamping Procedures in certain scenarios

#### 4.1 Application for ABSD Transitional Remission

To apply for the remission, please submit an application via <https://go.gov.sg/2023absdremission> (for Singpass users) or <https://go.gov.sg/2023absdremission-corp> (for Singpass (Corporate) users) within 14 days after the date of execution of the instrument. There will be an acknowledgement email upon successful submission of the FormSG.

For applicants who declared in the application form that there are 4 or more Buyers / Transferees (Trustees), Sellers or Beneficiaries, please click the links below to download the excel template from our webpage which is to be completed and uploaded with the FormSG submission.

- [Excel Template for 4 or more buyers.xlsx](#)
- [Excel Template for 4 or more sellers.xlsx](#)
- [Excel Template for 4 or more beneficiaries.xlsx](#)

Once your application has been processed, you will receive an email on the payment instructions and how to download your stamp certificate after the payment has been cleared.

### 5. FAQs

#### 5.1 FAQs relating to ABSD Transitional Remission

**Q1. Will the purchase of my residential property bought prior to 27 Apr 2023 attract the new ABSD rates if the legal completion is on or after 27 Apr 2023?**

If the Acceptance to OTP or the Sale and Purchase Agreement was executed before 27 Apr 2023, the old ABSD rates will apply, notwithstanding that the legal completion is on or after 27 Apr 2023.

**Q2. My OTP was granted on or before 26 Apr 2023 and my sale and purchase agreement is dated 11 May 2023. Can I e-stamp and pay stamp duty based on the former ABSD rates?**

No, the new ABSD rates will apply. However, if you satisfy the conditions of the ABSD transitional remission, you may apply to IRAS for the remission so that the old ABSD rates will apply.

**Q3. The expiry of my OTP validity period is 22 May 2023 and I exercised the OTP on 19 May 2023. Since I have exercised the OTP before the validity period, do I qualify for the transitional remission?**

No, one of the transitional remission conditions is that the OTP must be exercised on or before (i) 17 May 2023 or (ii) the date of expiry of the OTP validity period, **whichever is earlier**. In this case, 17 May 2023 is the earlier date. Since the OTP was only exercised on 19 May 2023, i.e. after 17 May 2023, you would not qualify for the transitional remission.

**Q4. The original expiry date of my OTP validity period was 8 May 2023 but the seller agreed on 4 May 2023 to extend the validity period to 19 May 2023 for my acceptance. I exercised the OTP on 15 May 2023. Do I qualify for the transitional remission?**

No, one of the conditions for the transitional remission is that the OTP must not be varied on or after 27 Apr 2023. Hence, if validity period was extended on or after 27 Apr 2023, you would not qualify for the remission.

<sup>4</sup> Stamp Duties (Instruments on or before 26 Apr 2023) (Remission) Rules 2023.

<sup>5</sup> For stamp duty purpose, the OTP is considered exercised when the Acceptance to OTP or Sale and Purchase Agreement (whichever applicable) is executed, i.e. signed.

**Q5. If a seller were to backdate the date of offer of his Option to before 27 Apr 2023 so that I can avoid paying the higher ABSD rates, is this an offence?**

Yes, it is an offence under Section 62 of the Stamp Duties Act. IRAS takes a very serious view of any individual who evades stamp duty by executing documents containing false information. One may also be guilty of a criminal offence for assisting or being involved in the preparation of any such document containing false information that is used to evade stamp duty. Any person found guilty of such an offence under the law shall be liable on conviction to a fine not exceeding \$10,000 or imprisonment for a term not exceeding 3 years, or to both.

IRAS conducts regular audits, and where fraudulent activities are detected, hefty penalties will be imposed and IRAS will not hesitate to prosecute any offenders.

**Q6. If I enter into an artificial or contrived arrangement in order to reduce or avoid the Additional Buyer's Stamp Duty that I have to pay, is this an offence?**

IRAS takes a stern view of any arrangements for the purpose of reducing or avoiding tax. This includes the scenario where buyers purchase properties under a contrived or artificial arrangement in order to reduce or avoid the Additional Buyer's Stamp Duty they have to pay.

In cases of tax avoidance, the Commissioner of Stamp Duties will disregard or vary any tax avoidance arrangement, claw back the rightful amount of stamp duty and impose a 50% surcharge on the additional duty payable. Further penalties of up to 4 times the outstanding amount may be imposed if the stamp duty and surcharge are not paid by the deadline.

For more information on ABSD, please refer to [www.iras.gov.sg](http://www.iras.gov.sg).