

FACT SHEET ON NEW ABSD RATES FOR ACQUISITIONS MADE ON / AFTER 16 DEC 2021



INLAND REVENUE
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1. Aim

1.1 This factsheet provides a summary of the

- Adjusted ABSD rates for acquisitions made on/after 16 Dec 2021;
- 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 properties¹, based on the higher of the consideration or market value. The ABSD rate applicable depends on the profile of the buyer. For acquisitions made jointly by two or more parties of different profiles, the ABSD rate applicable will be based on the profile with the highest ABSD rate on the entire property value acquired.

2.2 To cool the property market, the ABSD rates would be adjusted and apply to acquisitions on or after 16 Dec 2021 (see Table 1 below).

Table 1 – ABSD Rates²

Profile of buyer	Old ABSD Rates 6 Jul 2018 to 15 Dec 2021	New ABSD Rates On or after 16 Dec 2021
SC [^] buying 1 st residential property	0%	0%
SC buying 2 nd residential property	12%	17%
SC buying 3 rd and subsequent residential property	15%	25%
SPR* buying 1 st residential property	5%	5%
SPR buying 2 nd residential property	15%	25%
SPR buying 3 rd and subsequent residential property	15%	30%
Foreigners (FR) buying any residential property	20%	30%
	25%	35%
Entities buying any residential property	Plus additional 5% for housing developer [#] (non-remittable)	Plus additional 5% for housing developer [#] (non-remittable)

[^]SC refers to Singapore Citizens

^{*}SPR refers to Singapore Permanent Residents

[#]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 35%. Housing developers are subject to 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) Rules³ (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 35%.

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 35% will not qualify for the ABSD Housing Developers Remission, even if they fulfil the remission conditions subsequently. Similarly, developers who paid the ABSD rate of 5% and applied for the ABSD Housing Developers Remission cannot withdraw their application subsequently. If they are unable to meet the remission conditions, the remitted ABSD of 35% will be recovered with interest.

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.

¹ There is no change to the scope of residential properties which you may refer to www.iras.gov.sg for the definition.

² For rates before 6 Jul 2018, please refer to www.iras.gov.sg.

³ 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. ABSD Transitional Remission⁴

3.1 There is a transitional remission for residential properties acquired on or after 16 Dec 2021 such that the old ABSD rates, instead of the new ABSD rates, apply. For buyers to be eligible for the remission, **all** of the following conditions must **strictly** be met:

- (i) The option to purchase ("OTP") is granted on or before 15 Dec 2021;
- (ii) This OTP is exercised⁵ on or before 5 Jan 2022 or the date of expiry of the OTP validity period, **whichever is earlier**; and
- (iii) No changes are made to this OTP (including any extension of the validity period) on or after 16 Dec 2021.

No remission is applicable for SC or SPR buying 1st residential property as there is no change to their ABSD rates.



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.

3.2 Please write in to IRAS to apply for the ABSD Transitional Remission if all the above conditions are met.

4. FAQs

4.1 FAQs relating to ABSD Transitional Remission

Q1. Will the sale of my residential property sold prior to 16 Dec 2021 attract the new ABSD rates if the legal completion is on or after 16 Dec 2021?

If the Acceptance to OTP or the Sale and Purchase Agreement was executed before 16 Dec 2021 the old ABSD rates will apply, notwithstanding that the legal completion is on or after 16 Dec 2021.

Q2. My OTP was granted on or before 15 Dec 2021 and my sale and purchase agreement is dated 30 Dec 2021. 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 10 Jan 2022 and I exercised the OTP on 7 Jan 2022. 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) 5 Jan 2022 or (ii) the date of expiry of the OTP validity period, **whichever is earlier**. In this case, 5 Jan 2022 is the earlier date. Since the OTP was only exercised on 7 Jan 2022, i.e. after 5 Jan 2022, you would not qualify for the transitional remission.

Q4. The original expiry date of my OTP validity period was 22 Dec 2021 but the seller agreed on 20 Dec 2021 to extend the validity period to 30 Dec 2021 for my acceptance. I exercised the OTP on 28 Dec 2021. 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 16 Dec 2021. Hence, if validity period was extended on or after 16 Dec 2021, you would not qualify for the remission.

Q5. If a seller were to backdate the date of offer of his Option to before 16 Dec 2021 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.

For more information on ABSD, please refer to www.iras.gov.sg.

⁴ Stamp Duties (Instruments On or Before 15 Dec 2021) (Remission) Rules 2021.

⁵ 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.