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Stamping of Tenancy Agreement



Stamp Duty & Property Tax

13 Apr 2019

Outline

Stamp Duty

- Why is there a need to stamp Tenancy Agreement?
- Stamping procedures
- What happens if the Tenancy Agreement is not stamped?
- Refund claim on aborted tenancy
- Stamp certificate forgery cases & how to check authenticity of stamp certificate

Stamp Duty



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Important Notes



Landlord's Responsibilities

- ensure tenant stamps the tenancy agreement
- check that the stamp certificate produced by the tenant / property agent is genuine

Tenant's Responsibilities

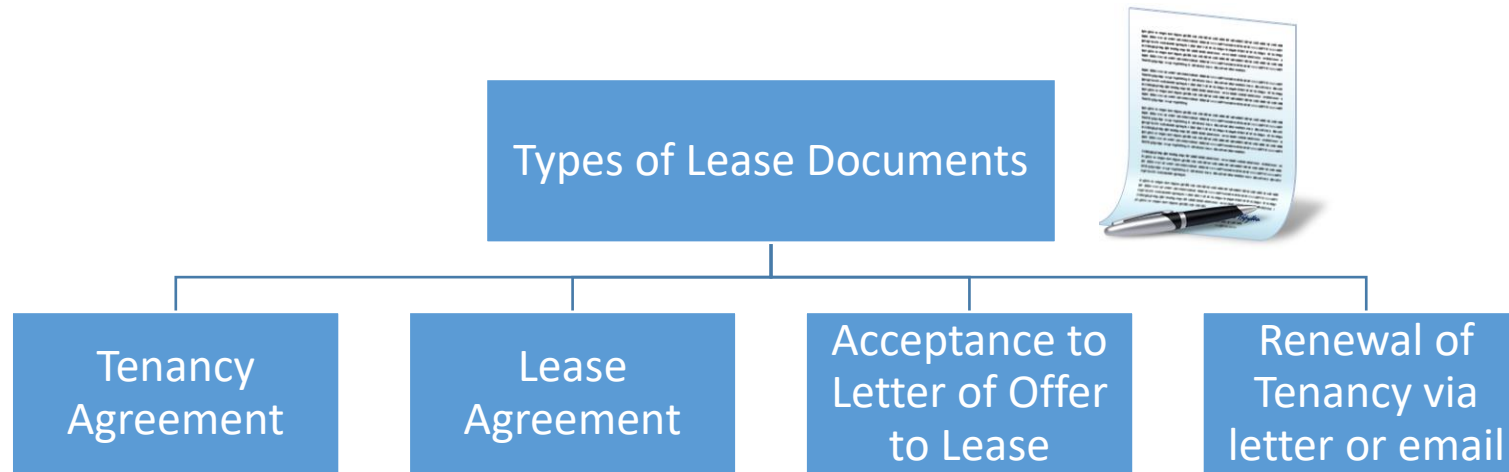
- Generally, tenant is expected to pay stamp duty unless otherwise stated in the tenancy agreement for the landlord to pay
- stamp the tenancy agreement within 14 days
- check that the stamp certificate produced by the property agent is genuine

Why is there a need to stamp Tenancy Agreement?

- Stamp duty is a tax on documents
 - A Tenancy Agreement is a document
- Documents relating to:
 - Properties in Singapore, including HDB flats rented out wholly or partially



Lease Documents



Common misconception that stamping is not required for subletting / renting of a room in an HDB flat



Stamping Procedures



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- When to stamp Tenancy Agreement?
 - If executed (i.e. signed and dated) in Singapore, within 14 days
 - If executed outside Singapore, within 30 days from the date of receipt from overseas



What Happens if the Tenancy Agreement is not stamped?

- Late stamping penalty
 - After 14 days, within 3 months of execution
 - 1 time the duty owed or \$10, whichever is higher
 - After 3 months of execution
 - 4 times the duty owed or \$25, whichever is higher
- It is an offence not to stamp the document.
- If the document is unstamped, it is not admissible in court when legal disputes arise.



Stamping Procedures

Duty Structure for Leases with effect from 22 February 2014

	Lease Duty Rates
(a) Where average annual rent (AAR) does not exceed \$1,000	Exempted
(b) Where AAR exceeds \$1,000 :	
Lease period of 4 years or less	0.4% of total rent for the period of the lease
Lease period of more than 4 years or for any indefinite term	0.4% of 4 times the AAR for the period of the lease

Example 1 :Gross rent \$2,500 per month for 3-yr lease

- Total rent -- $\$2,500 \times 36 = \$90,000$;
- Stamp Duty is $0.4\% \times \$90,000 = \360.00

- Stamp duty calculator is available in our Stamp Duty website

Stamping Procedures

E-stamping - Where To Stamp & Modes of Payment

- If you are e-stamping using SingPass or Non-login services,
 - the various available payment modes are as follow :



- eNETS



- Internet Banking Fund Transfer
(for POSB, UOB and OCBC account holders)



- Cheque
(Available for stamp duty payments over \$2000)
- Cashier's Order



- NETS / Cashcard
(Available at IRAS Surf Centre @Level 1)



- Service Bureaus
(Novena Post Office, Raffles Place Post Office, Robinson Road Post Office and Chinatown Post Office)

Refund Claim on Aborted Tenancy

- Aborted tenancy
 - Not all aborted or cancelled tenancy are eligible for stamp duty refund
- Lease Duty remission
 - Lease duty remission in excess of \$50 is applicable to rescinded or aborted lease contracts or agreements if the remission conditions are met.





Claim on Aborted Tenancy

Conditions

- 1 The Tenancy Agreement is rescinded on or after 19 Feb 2011
- 2 The lessee/ tenant has not aborted the Tenancy Agreement with a view to allow the lessor/ landlord to lease the property to another person.
- 3 The executed agreement has not been made use of for any purpose.
- 4 The lease period of the property has not commenced
- 5 The application for remission is made within 6 months from the date the Tenancy Agreement is aborted.





Claim on Aborted Tenancy



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No refund is allowed

If the Tenancy Agreement
has been made used of :

Example 1

Any party in Tenancy
Agreement has enforced
his/her rights e.g. tenant
had occupied the premises

Example 2

Has acted on the terms of
Tenancy Agreement e.g.
security deposit had been
forfeited



Stamp Certificate Forgery cases

- Stamp certificate forgery cases involving property agents have been recovered from time to time
- Jail sentences ranging from 2 to 12 weeks
- Offence committed under section 64 of the Stamp Duties Act which carries a fine up to \$10,000 or to imprisonment for a term up to 3 years or both
- IRAS takes a very serious view of non-stamping and stamp duty fraud.



1 Dec 2015

Tax Fraud uncovered

THE STRAITS TIMES

Ex-property agent jailed, fined for forging stamp certificate

A former property agent was jailed for five weeks and fined \$2,145 last Friday for forging the stamp certificate in a property rental transaction and for issuing a counterfeit goods and services tax (GST) invoice.

Cheong Sai Chong, 38, a former agent with the Dennis Wee Group, pleaded guilty to the two offences. One other charge was taken into consideration.

Cheong left the firm after his real estate licence expired in July 2012, but still acted on behalf of the landlords and tenants for the rental of two properties. His offences came to light following a review of stamp duty compliance rates by the Inland Revenue Authority of Singapore (Iras) in September 2013. It found tenancy agreements for certain properties had not been stamped.

An affected tenant of a commercial property in Ang Mo Kio provided Iras with a stamp certificate as proof of stamp duty payment, but it was later found to be counterfeit. Investigations showed that Cheong had collected \$673 for the stamp duty, but did not stamp the tenancy agreements. In fact, Cheong admitted that he had edited the scan of a genuine stamp certificate from a previous property transaction and handed the counterfeit certificate to the tenant.

Stamp duty is paid on documents or agreements relating to properties. A certificate is issued to certify the amount of stamp duty relating to the document or agreement has been paid. For arranging the tenancy agreement for the Ang Mo Kio property, Cheong was also paid an agent's commission of \$4,500 by a landlord. Although not authorised to collect GST, he charged an additional \$315 in GST using a forged invoice.

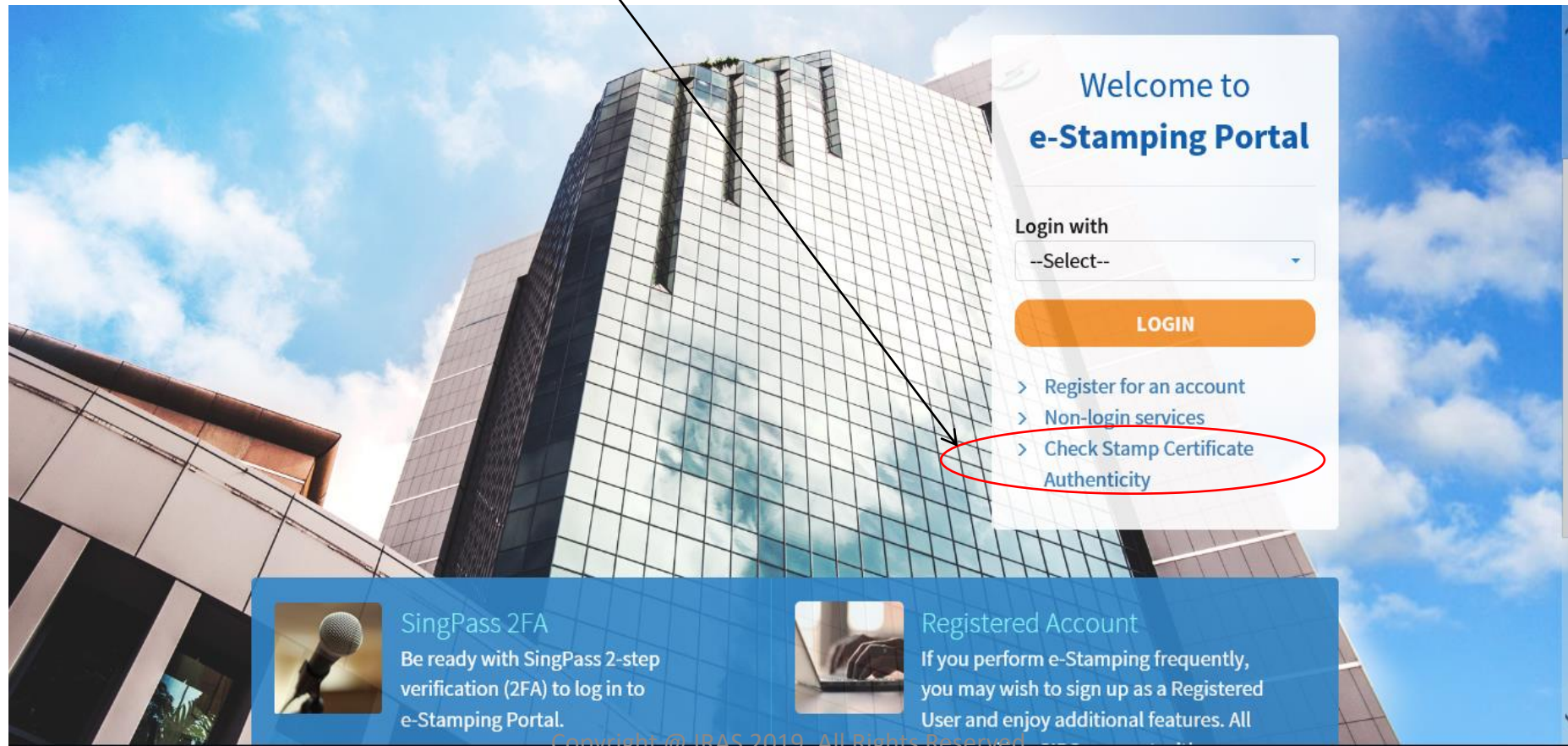
In a media release, Iras said it takes a serious view of anyone who deliberately forges stamp certificates or knowingly misrepresents counterfeit certificates as genuine. Potential tenants and property buyers are encouraged to check the authenticity of their stamp certificates online at <http://estamping.iras.gov.sg>

Cheong could have been jailed up to three years and fined up to \$10,000 for forging the stamp certificate. For unlawful collection of GST, he could have been fined up to \$10,000.

- Counterfeited 1 stamp certificate for 1 rental transaction
- IRAS recovered the counterfeit stamp certificate
- Cheated \$673 in stamp duties & \$315 in GST
- Sentenced to 5 weeks' jail & fined \$2,145

How to check authenticity of stamp certificate

- At e-Stamping homepage (www.estamping.iras.gov.sg), select “Check Stamp Certificate Authenticity”



How to check authenticity of stamp certificate

- Under the “Check Stamp Certificate Authenticity”, key in the Document Reference Number and the Stamp Certificate Reference and click “Retrieve”

Check Stamp Certificate Authenticity

Document Ref No.*

Stamp Certificate Reference* - - -



How to check authenticity of stamp certificate

- The record will be displayed in a box below. Click on “Details”.

Check Stamp Certificate Authenticity

Document Ref No.*	<input type="text" value="2016081000028"/>
Stamp Certificate Reference*	<input type="text" value="200200"/> - <input type="text" value="11SH1"/> - <input type="text" value="1"/> - <input type="text" value="348339016"/>
<div><input type="button" value="CLEAR"/> <input type="button" value="RETRIEVE"/></div>	

Document Ref No.	Stamp Certificate Reference	Actions
2016081000028	200200-11SH1-1-348339016 (ORIGINAL)	<input type="button" value="DETAILS"/>



How to check authenticity of stamp certificate

- Details of the stamp certificate, property / stock and shares and stamp duty charges will be displayed.
- Check the details with that on the stamp certificate



Certificate of Stamp Duty	
Certificate Type	Original
Assessment Type	Original

Stamp Certificate Details	
Stamp Certificate Ref No.	200200-11SH1-1-348339016
Stamp Certificate Issue Date	10 Aug 2016
Document Ref No.	2016081000028
Version No.	1.0
Document Description	Share Transfer (Ad valorem)
Date Of Document	10 Aug 2016

Stocks and Shares

Name of Company	Entity Type	Entity Id	Number of Stocks and Shares
TESTING			1

Stamp Duty Charges	
Stamp Duty	S\$ 1.00
Total Amount Payable	S\$ 1.00

How to check authenticity of stamp certificate

Information displayed is different from stamp certificate e.g. wrong landlord's name

System displays a message that the Document Reference Number or the Stamp Certificate does not exist.



Please contact us





Contact Details

- Email : estamp@iras.gov.sg
- Stamp Duty Helpline : 1800 460 4923
Operating Hours: 8am to 5pm from Mon to Fri
- Visit Us @ Revenue House Taxpayer Service Centre
Operating Hours: 8am to 5pm from Mon to Fri
Saturdays: e-kiosks at Self-Service Lobby available
- For more information on stamp duty, please visit our website at www.iras.gov.sg > Other Taxes > Stamp Duty For Property



Property Tax



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Outline

Property Tax

- What is Property Tax?
- What are the Property Tax Rates?
- When is Property Tax payable?
- Renting out your Flat
- Checking Outstanding Property Tax

Property Tax

- **Property Tax** is a tax on property ownership and applies whether the property is rented out, owner-occupied or vacant.
- It is different from Income Tax which applies to the rental income earned from renting out the property.

$$\text{Property Tax Payable} = \text{Annual Value (AV)} \times \text{Tax Rate}$$



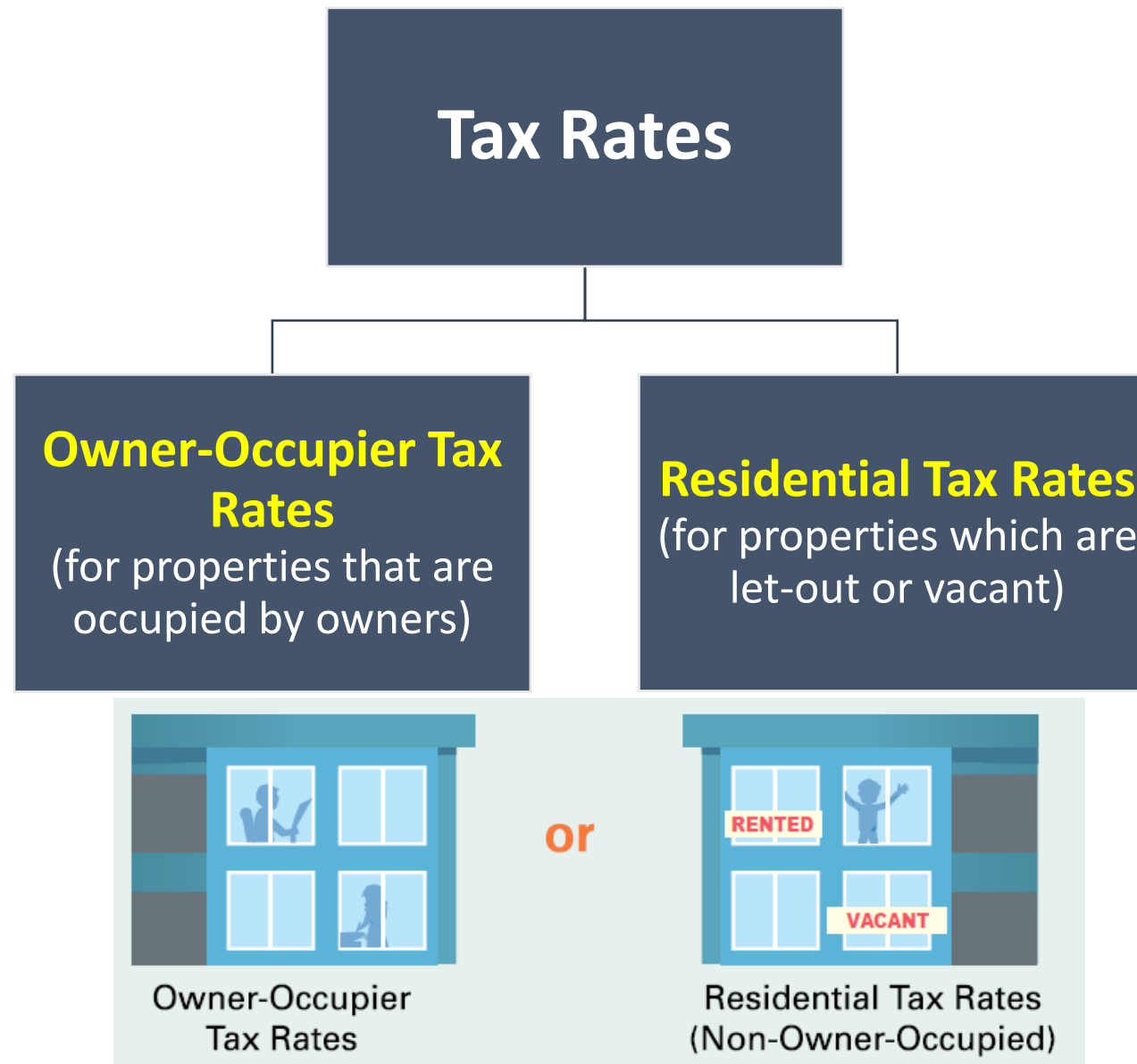
- **Annual Value** is the estimated annual rent of the property if it were to be rented out.
- It is determined the same way regardless of whether the property is owner-occupied, vacant or rented out.

Example: Annual Value is \$1,000 (rental per month) x 12 = \$12,000



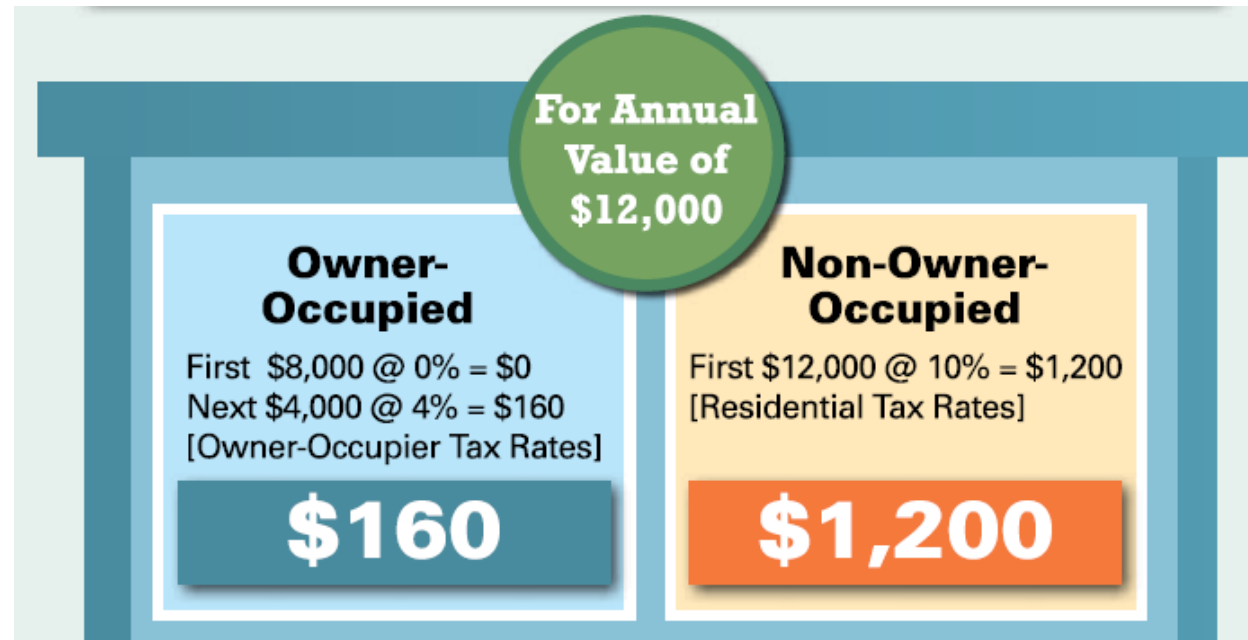
- Annual Value is reviewed by IRAS every year to ascertain whether they remain the same or be revised.
- If there is a revision to the Annual Value, for example with effect from 1 Jan 2019, owners will be notified through their 2019 property tax bill issued in Nov/Dec 2018.

Property Tax



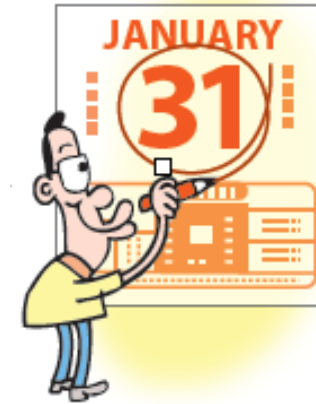
Property Tax

- Based on the same Annual Value, a property which is occupied by the owner will pay **less tax** than a property which is let-out or vacant.



When is Property Tax payable?

- At the end of each year, IRAS will send property owners the tax bill for the following year.
- Tax for the whole year is payable by **31st Jan of the year**
i.e. Property Tax for 2019 is payable by 31st Jan 2019
- Choose **GIRO** for up to **12 interest-free**
instalments (minimum monthly deduction
amount is \$10)





Renting out your Flat / Room

Notify IRAS

- Ensure tenant **e-stamps lease** document
- No further action required by owner
- Owners may request for stamp certificate from tenant to ensure lease has been stamped
- If it is **partial renting** of flat e.g. one room, to ensure that it is indicated as partial renting in the e-stamping document

Tax rates

- If flat **wholly let-out**, tax rate will change from Owner-Occupier Tax Rates (OOTR) to Residential Tax Rate (RTR)
- Result in **additional tax payable** from rental date
- For **partial renting of flat**, OOTR can be granted if owner stays in flat

Tenancy ceased

- Owners must **re-apply for OOTR** at [myTax.iras.gov.sg](https://mytax.iras.gov.sg) once tenancy has ceased, in order to pay a reduced tax amount

Check Outstanding Property Tax

**'Ask Jamie' to find out your property tax balance.
Simply provide your:**

- Property tax reference number; or
- Property address & identification number



e-Services at Your Fingertips (myTax.iras.gov.sg)



**Apply/Withdraw
Owner-Occupier
Tax Rates**

**View Statement
of Account or
View Bills and
Notices**

**View Property
Portfolio**



Contact Details

- For more information on property tax, please visit our website at www.iras.gov.sg
- To access our suite of e-Services, please log in to myTax.iras.gov.sg
- Property Tax Helpline : 1800 356 8300
Operating Hours: 8am to 5pm from Mon to Fri

Thank You

The information presented in the slides aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. This information is correct as at 13/04/2019. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.