

# **IRAS e-Tax Guide**

## **Stamp Duty: Imposition of Stamp Duty on Sellers for Sale or Disposal of Residential Property**



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

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## Table of Contents

<b>Overview</b>	<b>4</b>
<b>When Seller’s Stamp Duty (SSD) Applies</b>	<b>4</b>
<b>Computation of SSD Amount</b>	<b>6</b>
<b>Payment Due Date</b>	<b>6</b>
<b>Residential Properties</b>	<b>6</b>
<b>Exemptions</b>	<b>6</b>
<b>SSD Payment Procedures</b>	<b>7</b>
<b>Audit</b>	<b>8</b>
<b>Frequently Asked Questions</b>	<b>8</b>
<b>Contact Information</b>	<b>8</b>
<b>Annex A : Glossary of Terms</b>	<b>9</b>
<b>Annex B : For e-Stamping Subscribers</b>	<b>10</b>
<b>Annex C : For Non-Subscribers</b>	<b>11</b>
<b>Annex D : Frequently Asked Questions</b>	<b>14</b>

## 1. Overview

- 1.1 Following the Government announcement on 19 February 2010, seller's stamp duty (SSD) will be payable by sellers of residential properties which are acquired (or purchased) on or after 20 February 2010 and disposed of (or sold) within 1 year from the date of acquisition. Properties acquired before 20 February 2010 will not be subject to SSD<sup>1</sup> when disposed of.
- 1.2 This Guide explains the circumstances under which SSD will apply and the procedures for paying SSD.

## 2. When SSD Applies

- 2.1 Please see the illustration below. :

### (A) Residential Property Under Construction

OTP :	Option To Purchase	D :	Developer
SPA :	Sale and Purchase Agreement	A :	Original Purchaser
BSD :	Buyer's Stamp Duty	B :	Sub-Purchaser
SSD :	Seller's Stamp Duty		

Developer (D)	→	Original Purchaser (A)	→	Sub-Purchaser (B)
	- D issued OTP to A on 10 Feb 2010.  - A exercised OTP by signing SPA on <u>22 Feb 2010</u> .		- A issued OTP to B.  - B exercised OTP on <u>25 May 2010</u>  - B signed fresh SPA with D on 15 Jul 2010.	
		- A has to pay BSD on SPA signed with D on 22 Feb 2010.  - A has to pay SSD on OTP exercised by B on 25 May 2010.		- B has to pay BSD on OTP exercised on 25 May 2010.

**SSD is payable by A because the property is acquired on or after 20 February 2010 and disposed of on 25 May 2010 which is within 1 year from the date of acquisition.**

<sup>1</sup> The purchase date or the date of sale refers to the date on which the Option to Purchase or Sale and Purchase Agreement is executed, as the case may be.

**(B) Completed Residential Property**

OTP : Option To Purchase  
SPA : Sale and Purchase Agreement  
BSD : Buyer's Stamp Duty  
SSD : Seller's Stamp Duty

S : Seller  
A : Original Purchaser  
B : Sub-Purchaser

<b>Seller (S)</b>	<b>Original Purchaser (A)</b>	<b>Sub-Purchaser (B)</b>
	- S issued OTP to A on 10 Feb 2010.  - A exercised OTP on <u>22 Feb 2010</u> .	- A issued OTP to B.  - B exercised OTP on <u>25 May 2010</u> .
	- A pays BSD on OTP exercised on 22 Feb 2010.  - A pays SSD on OTP exercised by B on 25 May 2010.	- B pays BSD on OTP exercised on 25 May 2010.

**SSD is payable by A because the property is acquired on or after 20 February 2010 and disposed of on 25 May 2010 which is within 1 year from the date of acquisition.**

2.2 Acquisition or disposal of properties includes transfer of properties made in the following manner :

- (a) Direct sale or purchase;
- (b) By way of a collective sale or purchase;
- (c) By way of mortgagee sale;
- (d) By way of gift, release, settlement or trust where the beneficial interest in the property passes to the beneficiary;
- (e) By way of distribution in specie upon voluntary winding up of a company;
- (f) By way of letter of authority;
- (g) By way of exchange;

2.3 When the property is transferred by way of inheritance or under the right of survivorship in a joint tenancy, SSD will be payable if the property is disposed of within 1 year of the property being acquired by the deceased on or after 20 February 2010.

### **3. Computation of SSD Amount**

- 3.1 SSD payable is computed in the same manner as the stamp duty payable by the buyer. For more information on stamp duty computation, please refer to the IRAS website at [www.iras.gov.sg](http://www.iras.gov.sg) (Other Taxes | Stamp Duty | Calculate Stamp Duty).

### **4. Payment Due Date**

- 4.1 SSD must be paid within 14 days of the execution of the Agreement (i.e. exercise of Option or signing of Agreement). If the Agreement is executed overseas, upon receipt of the Agreement in Singapore, the SSD must be paid within 30 days.

### **5. Residential Properties**

- 5.1 Only residential properties are affected. Please refer to the Glossary of Terms in **Annex A** (page 9). Where part of the property is for residential use, only that part relating to residential use is subject to SSD.
- 5.2 Where the transaction relates to only a partial interest in the residential property, SSD will be payable on the consideration or the market value of the partial interest, whichever is higher. For this purpose, joint tenants are deemed to have equal interest.

### **6. Exemptions**

- 6.1 SSD is to be exempted or remitted on –
- i. A contract or transfer executed by a licensed housing developer where the sale of residential property is in accordance with the provisions of the Housing Developers (Control and Licensing) Act.
  - ii. A contract or transfer executed by a non-licensed housing developer lawfully carrying out the business of housing development.
  - iii. A contract or transfer executed by any public authority which is established by written law and where the disposition of property is pursuant to the exercise of its functions and duties, e.g. HDB, JTC;
  - iv. Property passing on death of owner to persons who are beneficially entitled to the residential property, either by virtue of the Will or the laws of intestacy (subject to paragraph 9);
  - v. A transfer by reason of land acquisition by the Government;
  - vi. Disposal upon the bankruptcy or involuntary winding up of the owner;
  - vii. Disposal by a foreigner as required under the Residential Properties Act

- viii. Disposal as a result of re-possession of HDB flat by HDB;
- ix. Disposal of HDB flat to HDB under the Selective En-bloc Redevelopment Scheme (SERS);
- x. A transfer consequent to matrimonial proceedings (i.e. divorce) in which specific remission<sup>2</sup> for buyer's stamp duty has been granted to the transferee;
- xi. Disposal effected via a conveyance direction in which specific remission<sup>3</sup> for buyer's stamp duty has been granted to the transferee;
- xii. A transfer of part interest in HDB flat to immediate family members in which specific remission<sup>4</sup> for buyer's stamp duty has been granted to the transferee. SSD in excess of \$10 will be remitted;
- xiii. A transfer made in consideration of marriage in which buyer's stamp duty has been remitted for the transferee. SSD in excess of \$10 will be remitted;
- xiv. Transfer made pursuant to a scheme of reconstruction or amalgamation under section 15 of the Stamp Duties Act in which relief for buyer's stamp duty has been allowed to the transferee;

## **7. SSD Payment Procedures**

### **7.1 For e-Stamping Subscribers**

Please use the same module as for paying buyer's stamp duty, with the additional step of inserting the word "**(SSD)**" after the name of the Vendor/Transferor/Assignor in Section C. For illustrations, please refer to **Annex B** (page 10).

### **7.2 For Non-Subscribers**

Please use the same prescribed Form E1A for stamping at CrimsonLogic Service Bureau or IRAS counter. Under Section C : Particulars of Vendor/Transferor/Assignor, please fill in the name of the Vendor/Transferor/Assignor, to be followed by the word "**(SSD)**". Complete the rest of the form as usual. For illustration, please refer to **Annex C** (page 11).

## **8. Audit**

- 8.1 Audit checks will be conducted on documents relating to the sale or disposal of properties. If IRAS discovers cases of deficient SSD, IRAS would recover the deficient

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<sup>2</sup> Stamp Duties (Matrimonial Proceedings) (Remission) Rules 2005

<sup>3</sup> Stamp Duties (Conveyance Directions) (Remission) Rules 2005

<sup>4</sup> Stamp Duties (Transfer of HDB Flat Within Family) (Remission) Rules 2007

duty. Under the Stamp Duties Act, a penalty of up to 4 times the amount of deficient duty may be imposed.

## **9. Frequently Asked Questions**

9.1 Please refer to **Annex D** (page 14).

## **10. Contact Information**

10.1 For enquiries on this Guide, please contact :

Property Tax Division  
Valuation and Stamp Duty Branch  
Inland Revenue Authority of Singapore  
55 Newton Road  
Revenue House  
Singapore 307987

Tel : 6351 3697 / 6351 3698

Fax : 6351 3694

Email : [estamp@iras.gov.sg](mailto:estamp@iras.gov.sg)

**Inland Revenue Authority of Singapore**



**Glossary of Terms**

1. “Residential Property” means -
  - (a) any house, building or other premises or any part thereof which is permitted to be used pursuant to the Planning Act (Cap. 232) or any other written law as a dwelling-house or which is lawfully so used; and
  - (b) any land zoned in the Master Plan for solely residential purposes or for mixed purposes, one of which shall be residential.
2. “Master Plan” has the same meaning as in Section 2 of the Planning Act (Cap. 232).
3. “Acquisition” includes by way of purchase, grant, exchange, gift, settlement or otherwise.
4. “Disposal” means the sale, conveyance, transfer, assignment, settlement or other alienation of residential property, whether by agreement or otherwise, and includes the creation of a trust in respect of the property.

For e-Stamping Subscribers :

The screenshot shows the E-Stamping system interface. At the top left is the logo and the text "E-Stamping". Below this is a navigation bar with links: Home Page, Main Menu, Send Message, Receive Message, Bill Enquiry, Change Password, Logout, and Email. A note below the navigation bar states: "Note: \* indicates mandatory field." The main form area contains a dropdown menu for "Stamp Duty Type" with the selected option "Sale & Purchase of Immovable Property (Ad Valorem)". Below this is a "Mode" section with three radio buttons: "Create" (selected), "Update", and "Enquire". An arrow points from the dropdown menu to the instruction box below.

Step 1 : Select the “Sale & Purchase of Immovable Property (Ad Valorem)” module in the E-stamping system.

Step 2 : Fill in all the particulars.

The screenshot shows "SECTION C : PARTICULARS OF VENDOR/TRANSFEROR/ASSIGNOR". It contains three rows of input fields. Each row has a "Name of Vendor/Transferor/Assignor" field, an "Identity Type" dropdown menu, and an "Identity Number" field. The first row has "TAN AH TEE (SSD)" entered in the Name field. An arrow points from the "(SSD)" part of the name to the instruction box below.

Step 3 : Please insert “(SSD)” after the name of Vendor / Transferor / Assignor.

For Non-Subscribers :

SAMPLE FORM E1A

Commissioner of Stamp Duties  
55 Newton Road, Revenue  
House  
Singapore 307987  
Tel: 63513697/8

REQUISITION FORM FOR  
SALE & PURCHASE OF IMMOVABLE PROPERTY  
(AD VALOREM DUTY)



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

<b>FOR IRAS/SNS USE</b>	Date	_____ / _____ / _____	Queue No.	_____
	Processed by	_____	Doc No.	_____

Please complete this Form in BLOCK letters

**Particulars of Person Submitting Document for Stamping**

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel No. \_\_\_\_\_

I certify that the information provided below is a true and accurate account of the transaction as they are recorded in the document.

Please e-stamp the document with – ORIGINAL \$ \_\_\_\_\_ . \_\_\_\_\_

DUPLICATE \$ \_\_\_\_\_ . \_\_\_\_\_

TOTAL \$ \_\_\_\_\_ . \_\_\_\_\_

Related Document Reference No. \_\_\_\_\_

(if any, applicable to Law Firms only)

Signature \_\_\_\_\_ Name of Signatory \_\_\_\_\_ Date \_\_\_\_\_

**SECTION A: DETAILS OF DOCUMENT FOR STAMPING**

Document Type:  Sale & Purchase Agreement/Option to Purchase  
 Letter of Authority  
 Transfer/Assignment/Conveyance

Is Document signed / Option accepted  YES  NO If YES, Date of Document/Acceptance \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
D D M M Y Y Y Y

Signed / Will be signed in duplicate?  YES  NO

Document is signed in  Singapore  Overseas If Overseas, Date Document was received in Singapore \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
D D M M Y Y Y Y



<b>Name</b>													
[.....]													
<b>Identity Type:</b>													
<input type="checkbox"/>	NRIC	<input type="checkbox"/>	FIN	<input type="checkbox"/>	PASSPORT	<input type="checkbox"/>	UEN-LOCAL CO	<input type="checkbox"/>	UEN-BUSINESS	<input type="checkbox"/>	UEN-OTHERS	<input type="checkbox"/>	OTHERS
<b>Identity No.</b>													
[.....]													
<b>Address:</b>													
Block/House No. [.....]													

Street Name [.....]

Storey -Unit No. [.....] - [.....] Postal Code [.....]

**SECTION E: 1998 OFF-BUDGET MEASURE**  
 (Applicable only for S&P Agreement/ Acceptance to Option to Purchase dated between 30.6.1998 to 14.12.2006, both dates inclusive)

Duty on S&P Agreement/Option is now payable due to:

- |  |                              |                             |   |                             |
|--|------------------------------|-----------------------------|---|-----------------------------|
| 1) TOP issued                                | <input type="checkbox"/> YES | <input type="checkbox"/> NO | If YES, state Date of TOP                   | [.....] / [.....] / [.....] |
|  |                              |                             |   | D D M M Y Y Y Y             |
| 2) Completion of Purchase Of Property        | <input type="checkbox"/> YES | <input type="checkbox"/> NO | If YES, state Date of Transfer / Assignment | [.....] / [.....] / [.....] |
|  |                              |                             |   | D D M M Y Y Y Y             |
| 3) Purchaser has contracted to sell property | <input type="checkbox"/> YES | <input type="checkbox"/> NO | If YES, state Date of Sub-sale              | [.....] / [.....] / [.....] |
|  |                              |                             |   | D D M M Y Y Y Y             |

**Frequently Asked Questions**

- 1. I have exercised an option to acquire an apartment before 20 February 2010. Does SSD apply to me if I dispose of the apartment within a year?**

No, because the apartment was acquired by you before 20 February 2010. SSD is only payable by the seller who has acquired the residential property on or after 20 February 2010, and disposed of within 1 year of purchase. For example, if you acquire the apartment on 1 April 2010 and dispose of on or before 31 March 2011, you would have to pay SSD.

- 2. For the sale and purchase of the property, which is the material date to be considered for this purpose of determining SSD – is it the date of contract or date of transfer or date of possession of the property?**

The date of exercise of Option or the date of Acceptance of Option or the date of Sale & Purchase Agreement or the date of Contract would be taken as the material date in the sale and purchase of the property.

- 3. I have been given an option to purchase a house and intend to exercise the option on 20 February or later. Does SSD apply to me if I dispose of it within a year?**

Yes, SSD applies since the house will be acquired by you on or after 20 February 2010. If you acquire the house on 20 February 2010 and dispose of the house on or before 19 February 2011, you would have to pay SSD.

- 4. Does SSD apply if an apartment was given to me (i.e. transferred by way of a gift) and I dispose of the apartment within a year?**

If the apartment was given to you on or after 20 Feb 2010, you have to pay SSD if you dispose of the apartment within a year.

- 5. I have inherited a house from a deceased relative on 1 Apr 2010. Does SSD apply to me if I dispose of it within a year?**

If the deceased acquired the house before 20 February 2010, you would not need to pay SSD upon disposal. If the deceased acquired the house on and after 20 February 2010, you would have to pay SSD when you dispose of the house within a year of the acquisition of the property by the deceased.

**6. Why is the cut-off date for the 80% Loan-to-Value (LTV) cap set on the date on which the option to purchase was granted whereas that for SSD is the date on which the option is exercised?**

The cut-off date for the 80% LTV cap is the date on which the property buyer is granted the option to purchase the property by the seller, or if there is no option to purchase, the date of the sale and purchase agreement. This cut-off would therefore not impact prospective buyers who have paid for the option to purchase before 20 Feb 2010, and are in the process of making financing arrangements to complete the purchase.

This distinction was made in the 1996 slate of property cooling measures.

**7. How is SSD computed?**

SSD is computed in the same manner as the stamp duty payable by the purchaser, at the following rates, on the consideration or the market value of the property, whichever is higher :-

• 1% on the first \$180,000;
• 2% on the next \$180,000;
• 3% on the balance amount

For more information on the stamp duty computation for immovable properties, please refer to the IRAS website at [www.iras.gov.sg](http://www.iras.gov.sg) (Other Taxes | Stamp Duty | Calculate Stamp Duty).

**8. When must SSD be paid?**

SSD must be paid within 14 days of the signing of the Agreement. But if the Agreement is executed overseas, SSD must be paid within 30 days from the date of receipt of the Agreement in Singapore.

**9. How do I pay SSD?**

For e-Stamping Subscribers

Use the same module as for paying buyer's stamp duty, with the additional step of inserting the word "**(SSD)**" after the name of the Vendor/Transferor/Assignor in Section C. Complete the rest of the form as usual.

Step 1

Select the "Sale & Purchase of Immovable Property (ad valorem)" module in the E-stamping System

## Step 2

Enter the details in the relevant fields as usual

## Step 3

Under Section C, in the field “Name of Vendor/Transferor/Assignor”, insert the word “(SSD)” immediately after the name of the vendor/transferor/assignor. Please refer to Annex B for illustration.

### For Non-Subscribers

Please use the same prescribed Form E1A for stamping at CrimsonLogic Service Bureau or IRAS counter. Under Section C : Particulars of Vendor/Transferor/Assignor, please fill in the name of the Vendor/Transferor/Assignor, to be followed by the word “**(SSD)**”. Complete the rest of the form as usual.

## Step 1

Use the prescribed Form E1A

## Step 2

Enter the details in the relevant fields as usual

## Step 3

Under Section C, in the field “Name”, insert the word “(SSD)” immediately after the name of the vendor/transferor/assignor. Please refer to Annex C for illustration.