

Stamp Duties (Amendment) Bill

Bill No. /2012

Read the first time on .

A BILL

i n t i t u l e d

An Act to amend the Stamp Duties Act (Cap. 312).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act may be cited as the **Stamp Duties (Amendment) Act 2012** and shall, with the exception of **section 2** come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

(2) Section 2 shall be deemed to have come into operation on 1st April 2010.

Amendment of **section 15A**

2. **Section 15A of the Stamp Duties Act (referred to in this Act as the principal Act)** is amended —

(i) by deleting **paragraph (b) of subsection (2)** and substituting the following paragraph:

“(b) must be —

(i) where the date of the acquisition is within the period from 1st April 2010 to 16th February 2012 (both dates inclusive), directly and wholly-owned by the acquiring company at the date of the acquisition; and

(ii) where the date of the acquisition is within the period from 17th February 2012 to 31st March 2015 (both dates inclusive), wholly-owned (whether directly or indirectly) by the acquiring company at the date of the acquisition.”;

(b) by deleting the words “or the acquiring subsidiary, as the case may be, owning” in **subsection (3)(a)** and substituting the words “and its acquiring subsidiaries owning together in total”;

(c) by deleting the words “the acquiring company or the acquiring subsidiary, as the case may be, owns” in **subsection (3)(a)** and substituting the words “such total ownership was”;

- 5 () by deleting the words “or the acquiring subsidiary, as the case may be, owning” in **subsection (3)(c)** and substituting the words “and its acquiring subsidiaries owning together in total”;
- () by deleting the words “the acquiring company or the acquiring subsidiary, as the case may be, owns” in **subsection (3)(c)(i)** and substituting the words “such total ownership was”;
- 10 () by deleting the words “an allowance” in **subsection (4)(c)** and substituting the words “a deduction”; and
- () by deleting the words “, as the case may be,” where they first appear in **subsection (7)**.

Amendment of **section 22**

- 15 3. **Section 22(1) of the principal Act** is amended by deleting **paragraph (b)** and substituting the following paragraph:

 “(b) any estate or interest in any property except property situated outside Singapore, and stock or shares.”.

Amendment of **section 22A**

- 20 4. **Section 22A(8) of the principal Act** is amended by deleting **paragraph (a)** and substituting the following paragraph:

 “(a) the consideration or value (whichever is applicable) on which the duty is based, shall be reduced by such amount as the Commissioner considers to be attributable to such part of the specified immovable property which is —

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 (i) lawfully used; or

 (ii) in the case of vacant land, to be used,

 other than temporarily, for purposes other than for a prescribed purpose; and”.

Amendment of section 29

5. Section 29(2) of the principal Act is amended by inserting, immediately after the word “thereon”, the words “or denoted by the stamp certificate attached thereto, as the case may be,”.

5 **Amendment of section 40**

6. Section 40 of the principal Act is amended by deleting “21” in subsections (1)(a) and (1A) and substituting in each case “30”.

Amendment of section 48

7. Section 48 of the principal Act is amended by deleting
10 paragraph (a).

Amendment of section 57

8. Section 57 of the principal Act is amended —

- () by deleting the words “stamps spoiled” in subsection (1) and substituting the words “stamp certificates”;
- 15 () by deleting paragraph (a) of subsection (1);
- () by deleting the words “used for” in subsection (1)(b) and substituting the words “certificates attached to”;
- () by deleting the word “relief” in subsection (2)(a) and substituting the word “allowance”;
- 20 () by deleting subsection (3); and
- () by deleting the words “spoiled stamps” in the section heading and substituting the words “stamp certificates for certain instruments”.

Amendment of section 58

9. Section 58 of the principal Act is amended —

- () by deleting subsection (1) and substituting the following subsection:

“(1) When any person —

(a) has inadvertently paid duty of a greater value than was necessary; or

(b) has inadvertently paid duty in respect of an instrument not liable to any duty,

5 and had been issued with a stamp certificate denoting the duty so paid in respect of the instrument, the Commissioner may —

(i) on an application made within 6 months after the date of the instrument; or

10 (ii) if the instrument is not dated, within 6 months after the execution thereof by the person by whom it was first or alone executed,

and upon the instrument, if liable to duty, being stamped with the proper duty, cancel that certificate and make an allowance for that certificate.”; and

15 (b) by deleting the word “stamps” in **the section heading** and substituting the words “stamp certificates”.

Amendment of section 74

10. **Section 74 of the principal Act** is amended —

20 (i) by inserting, immediately after **subsection (2)**, the following subsection:

“(2A) Orders made under subsection (2) in force immediately before 1st January 2012 shall be deemed to be rules made under subsection (2).”;

25 (b) by renumbering **subsection (2A)** as subsection (2B); and

(i) by deleting “2A” in **subsection (3A)** and substituting “2B”.

Amendment of section 78

11. **Section 78 of the principal Act** is amended —

30 (i) by renumbering the section as subsection (1) of that section; and

() by inserting, immediately after subsection (1), the following subsections:

“(2) Where a notification adds to, varies or revokes any part of the First or Third Schedule, that notification or any subsequent notification may also make provisions to modify the application of one or more of the following provisions in relation to such addition, variation or revocation:

Sections 16, 18, 21, 22, 24, 31, 32A(4) to (7), 32C and 33.

Savings provision

12. Section 6 does not apply to decisions of the Commissioner made under section 39A(5) of the principal Act before (effective date for section 6), and section 40 of the principal Act in force immediately before that date shall continue to apply to those decisions.

EXPLANATORY STATEMENT

This Bill seeks to make various amendments to the Stamp Duties Act (Cap. 312).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 15A (Relief from ad valorem stamp duty for acquisition of shares of company) for the following purposes:

(a) to clarify that the acquiring company and one or more acquiring subsidiaries may together make qualifying acquisitions of ordinary shares in the same target company, and to further clarify that it is the cumulative ownership of such shares by the acquiring company and its acquiring subsidiaries that determines whether or not the threshold requirements of more than 50%, or 75% or more, have been reached;

(b) to remove the requirement (for an instrument whose date of acquisition as defined under subsection (20) is a date between 17th February 2012 and 31st March 2015) that an acquiring subsidiary must be wholly and directly owned by the acquiring company, and to provide instead that an acquiring subsidiary must be wholly owned (whether directly or indirectly) by the acquiring company;

- (c) to make an editorial amendment to subsection (4)(c); and
- (d) to delete the first occurrence of the words “, as the case may be,” in subsection (7) as the amendment referred to in paragraph (a) has made these words superfluous.

Clause 3 makes a clarifying amendment to section 22 (Contracts, etc.; to be chargeable as conveyances on sale) as ad valorem duty is no longer chargeable on a conveyance on sale of any type of property, but only immovable property, stock and shares.

Clause 4 amends section 22A(8). That provision currently provides for the consideration used to determine the amount of seller stamp duty chargeable under section 22 on a conveyance of specified immovable property, to be reduced by an amount considered as attributable to any part of the property used for a non-prescribed purpose. In the case of vacant land, the amendment allows the consideration to be reduced by an amount considered as attributable to any part of the land that is *to be* used for a non-prescribed purpose. The amendment also clarifies that any temporary use of the property for a non-prescribed purpose will be disregarded.

Clause 5 makes an amendment to section 29(2) as a result of the replacement of adhesive and impressed stamps with electronic stamping. The provision, which provides that a security for an unlimited amount is only available for such amount as the duty impressed thereon extends to cover, is amended to include a reference to the amount of duty denoted by the stamp certificate attached to the instrument.

Clause 6 amends the period under section 40 for the filing of an appeal to the High Court against a decision of the Commissioner on a notice of objection, and for the service of a notice of such appeal on the Commissioner. The period is extended from 21 to 30 days.

Clause 7 deletes section 48(a), which provides that the payment of a penalty may be denoted on a physical stamp, as such stamps are no longer in use.

Clause 8 amends section 57 (Allowance for spoiled stamps) by deleting all references to spoiled stamps. The concept of a spoiled stamp is no longer relevant as instruments are now stamped by electronic means.

Clause 9 amends section 58 (Allowance for misused stamps) for a similar purpose to clause 8.

Clause 10 amends section 74 (Power to reduce or remit duties) to treat orders made before 1st January 2012 as rules made under that section. This is to enable rules to be made for the purpose of amending orders made under that section before that date.

Clause 11 amends section 78 (Power to amend Schedules) to allow the Minister to make provisions modifying the application of certain provisions of

the Act as a result of any amendment to the First or Third Schedule (which set out, respectively, the types of dutiable instruments and persons liable to pay duty on them). The provisions are those which deem certain instruments as dutiable instruments under the First Schedule. Such power is necessary to enable amendments to be made to those provisions in order to prescribe the corresponding circumstances in which the amendments to the Schedules are to apply in relation to those provisions, as well as to resolve any uncertainty in the operation of those provisions as a result of an amendment to the Schedules.

Clause 12 is a savings provision for the amendment to section 40 in clause 6. It applies the period of filing an appeal to the High Court and serving a notice of such appeal under the old section 40 to decisions of the Commissioner of Stamp Duties made before the commencement of the amendment.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

Note 1: Stamp Duties (Amendment) Bill V16