

Stamp Duties (Islamic Financial Arrangements) (Remission) Rules 2015

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No. S 200

STAMP DUTIES ACT (CHAPTER 312)

STAMP DUTIES (ISLAMIC FINANCIAL ARRANGEMENTS) (REMISSION) RULES 2015

In exercise of the powers conferred by section 74 of the Stamp Duties Act, the Minister for Finance makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Stamp Duties (Islamic Financial Arrangements) (Remission) Rules 2015 and come into operation on 8 April 2015.

Definitions

2. In these Rules —

“bank” means any Singapore bank or non-Singapore bank;

“deposit” means a deposit as defined in section 4B(4), (4A), (5) and (6) of the Banking Act (Cap. 19);

“financial institution” means —

- (a) any institution in Singapore that is licensed, approved, registered or otherwise regulated by the Monetary Authority of Singapore, or exempted from such licensing, approval, registration or regulation under any written law administered by the Monetary Authority of Singapore; or
- (b) any institution in a territory outside Singapore that is licensed, approved, registered or otherwise regulated by a foreign financial supervisory authority for the carrying on of financial activities in that territory, or exempted from such licensing, approval, registration or regulation under any foreign law administered by a foreign financial supervisory authority for the carrying on of financial activities in that territory;

“Islamic financial arrangement” means any of the following financial arrangements specified in a Part of the Schedule and defined in the first column of that Part:

- (a) Islamic deposit based on the Murabaha concept;
- (b) Islamic financing based on the Diminishing Musharakah concept;
- (c) Islamic financing based on the Istisna concept;
- (d) Islamic financing based on the Murabaha concept;
- (e) Islamic inter-bank placement based on the Murabaha concept;
- (f) Islamic mortgage based on the Ijara Wa Igtina concept;

“non-Singapore bank” means any institution outside Singapore that —

- (a) carries on only such activities as are carried on by a Singapore bank; and
- (b) is licensed or approved under any foreign law administered by a foreign financial supervisory authority for the carrying on of those activities;

“Singapore bank” means any approved bank as defined in section 13(16) of the

Income Tax Act (Cap. 134).

Remission of stamp duty relating to Islamic financial arrangements

3. Subject to the condition specified in rule 4 and the submission of such documents as the Commissioner may require, for each instrument specified in the second column of a Part of the Schedule against an Islamic financial arrangement specified in that Part, there is to be remitted such amount of duty chargeable on that instrument as is specified in the third column of that Part.

Condition for remission

4. The condition for the remission referred to in rule 3 is that the Islamic financial arrangement must be endorsed by any Shari'ah council or body, or by any committee formed for the purpose of providing guidance on compliance with Shari'ah law.

Revocation

5. The Stamp Duties (Qualifying Islamic Financing Arrangements) (Remission) Rules 2005 (G.N. No. S 733/2005) are revoked.

THE SCHEDULE

Rules 2 and 3

REMISSION

PART 1

ISLAMIC DEPOSIT BASED ON THE MURABAHA CONCEPT

<i>First column</i>		<i>Second column</i>		<i>Third column</i>
<i>Definition of Islamic financial arrangement</i>		<i>Instrument on which duty would have been chargeable</i>		<i>Amount of duty remitted</i>
An Islamic deposit entered into between a person (the customer) and a bank where —				
(a) for the purpose of making funds of the customer available to the bank, the customer appoints the bank (or any other person) as an	1.	Where the asset is immovable property, any instrument relating to the purchase of the asset by the bank or its agent on behalf of the		All duty that is chargeable under Article 3(a) of the First Schedule to the Act — (a) where the bank is a Singapore bank, on such instrument

	agent to purchase on the customer's behalf an asset for an amount of money (the original price), in circumstances where the asset exists at the time of the purchase;	customer	executed on or after 11 June 2007; or
(b)	the bank purchases the asset from the customer at a price (the marked-up price) that is greater than the original price, and sells the asset, or appoints the customer (or any other person) as an agent of the bank to sell the asset on the bank's behalf;	2. Where the asset is immovable property, any instrument relating to the sale and purchase of the asset between the bank and the customer	<p>(b) where the bank is a non-Singapore bank, on such instrument executed on or after 17 February 2006</p> <p>The total of the following amounts:</p> <p>(a) all duty that is chargeable under Article 3(a) of the First Schedule to the Act —</p> <p>(i) where the bank is a Singapore bank, on such instrument executed on or after 11 June 2007; or</p> <p>(ii) where the bank is a non-Singapore bank, on such instrument executed on or after 17 February 2006;</p> <p>(b) all duty that is chargeable under Article 3(b), (ba), (bb), (bd), (be) and (bg) of the First Schedule to the Act on such instrument executed on or after 20 February 2010</p>
		3. Where the asset is immoveable property, any instrument relating to the sale and purchase of the asset between the bank and the third party	All duty that is chargeable under Article 3(b), (ba), (bb), (bd), (be) and (bg) of the First Schedule to the Act on such instrument executed on or after 20 February 2010
(c)	the bank and the customer do not derive any gain or suffer any loss from any movement in the market value of the asset, other than the difference		

between the marked-up price and the original price (which represents the profit or return to the customer for making funds available to the bank); and

- (d) the whole or any part of the marked-up price is not required to be paid by the bank to the customer until after the date of the sale of the asset by the bank.

[S 671/2021 wef 11/03/2017]

PART 2

ISLAMIC FINANCING BASED ON THE DIMINISHING MUSHARAKAH CONCEPT

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Definition of Islamic financial arrangement</i>	<i>Instrument on which duty would have been chargeable</i>	<i>Amount of duty remitted</i>
An Islamic financing arrangement between a person (the customer) and a financial institution where —		
(a) the financial institution, or the financial institution's agent, jointly purchases an asset with the customer at the request of the customer, and contributes an amount of money towards the purchase price (the contribution) for the purposes of financing the use or purchase, or both, of the asset by the customer;		
(b) the financial institution, or the financial institution's agent —		
(i) sells a portion of the financial	1. Where the asset is immovable property,	The total of the following amounts: (a) the amount of duty