

# **Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules**

## **Table of Contents**

**1 Citation**

**2 Definitions**

**3 Conditions for relief from ad valorem stamp duty upon reconstruction or amalgamation of companies**

**4 (Deleted)**

**5 Particular existing company**

**6 Statutory declaration**

**7 Subsequent disallowance of relief**

**8 Commissioner to be notified of certain occurrences**

**9 Refund of stamp duty paid**

**10 Amalgamations under section 215D of Companies Act**

## **Legislative History**

### **STAMP DUTIES ACT (CHAPTER 312, SECTIONS 15 AND 77)**

# STAMP DUTIES (RELIEF FROM STAMP DUTY UPON RECONSTRUCTION OR AMALGAMATION OF COMPANIES) RULES

R 3

G.N. No. S 581/2000

REVISED EDITION 2002

(31st January 2002)

[1st July 2000<sup>1</sup>]

<sup>1</sup> Rule 8 came into operation on 18th December 2000

## Citation

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules.

## Definitions

2.—(1) In these Rules, unless the context otherwise requires —

“reckonable share capital” means the issued share capital (by whatever name called) of the company other than share capital which consists of shares that do not entitle the holder thereof to the right to vote at a general meeting;

*[S 678/2008 wef 18/02/2005]*

“relevant offer of shares”, in relation to a company, means —

- (a) the initial public offer; or
- (b) a subsequent offer,

for subscription or sale of shares of the company where —

- (i) the shares are listed on the Singapore Exchange, or listed both on the Singapore Exchange and elsewhere; and
- (ii) the total issued shares that are offered to the public do not exceed the prevailing minimum requirement set by the Singapore Exchange for a main board listing of the shares at the time of the initial public offer or subsequent offer, as the case may be;

“relevant shareholder”, in relation to an existing company, means —

- (a) any shareholder of the existing company who acquired shares in the existing company prior to its initial public offer of shares referred to

in paragraph (a) of the definition of “relevant offer of shares”;

- (b) any shareholder of the existing company who acquired shares in the existing company directly from any shareholder referred to in paragraph (a); or
- (c) any shareholder of the existing company which is a private company;

“shares” includes stocks.

(2) In these Rules, any reference to the undertaking of an existing company includes a reference to a part of the undertaking of an existing company.

### **Conditions for relief from ad valorem stamp duty upon reconstruction or amalgamation of companies**

**3.**—(1) Subject to paragraph (3), the conditions for relief from ad valorem stamp duty in respect of a scheme for the reconstruction of any company or companies or the amalgamation of companies referred to in section 15(1) of the Act are as follows:

- (a) that a company with limited liability (referred to in these Rules as the transferee company) —

- (i) is to be registered;
- (ii) has been incorporated; or
- (iii) has increased its capital,

with a view to the acquisition either of the undertaking, or of not less than 90% of the reckonable share capital, of any particular existing company for valuable consideration at the open market value;

*[S 678/2008 wef 18/02/2005]  
[S 372/2014 wef 22/05/2014]*

- (b) that not less than 90% of the consideration for the acquisition (except such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) consists of —

- (i) where an undertaking is to be acquired, the issue of shares in the transferee company to the existing company or to the shareholders of the existing company; or
- (ii) where reckonable share capital is to be acquired, the issue of shares in the transferee company to the shareholders of the existing company in exchange for the shares held by the shareholders in the existing company;

*[S 678/2008 wef 18/02/2005]*

*[S 372/2014 wef 22/05/2014]*

- (c) that the claim for relief from duty is made —
  - (i) in a case where the instrument in question is executed in Singapore, within 14 days after such execution; and
  - (ii) in a case where the instrument in question is executed outside Singapore, within 30 days after such execution;

*[S 372/2014 wef 22/05/2014]*

- (d) that where the claim for relief from duty is made before the execution of the instrument in question, the instrument is executed within 4 months after any indication by the Commissioner that the duty will not be chargeable on the instrument on the basis of the likelihood of the other conditions being satisfied.

*[S 372/2014 wef 22/05/2014]*

*[S 372/2014 wef 22/05/2014]*

(2) For the purpose of paragraph (1)(b), the shares that are to be issued to the existing company or to the shareholders of the existing company shall not consist of shares that do not entitle the holder thereof to the right to vote at a general meeting.

*[S 678/2008 wef 18/02/2005]*

(3) Where the transferee company is wholly associated with the existing company, then —

- (a) notwithstanding paragraph (1)(a), the reference to valuable consideration at the open market value may be read as a reference to valuable consideration at the existing company's book value;
- (b) notwithstanding paragraph (1)(b), any part or the whole of the consideration for the acquisition in question (including such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) may be paid in cash; and
- (c) the Commissioner may, in his discretion and subject to such terms and conditions as he may impose, extend any period referred to in paragraph (1)(c) and (d) if, in unavoidable circumstances —
  - (i) in the case of paragraph (1)(c), the claim for relief could not be made within the 14-day or 30-day period, as the case may be; and
  - (ii) in the case of paragraph (1)(d), the instrument could not be executed within the 4-month period.

*[S 372/2014 wef 22/05/2014]*