

# **Stamp Duties (Relief from Stamp Duty upon Transfer of Assets between Associated Permitted Entities) Rules 2014**

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STAMP DUTIES ACT  
(CHAPTER 312)

STAMP DUTIES  
(RELIEF FROM STAMP DUTY UPON  
TRANSFER OF ASSETS BETWEEN  
ASSOCIATED PERMITTED ENTITIES)  
RULES 2014

In exercise of the powers conferred by sections 15 and 77 of the Stamp Duties Act, the Minister for Finance hereby makes the following Rules:

**Citation and commencement**

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duty upon Transfer of Assets between Associated Permitted Entities) Rules 2014 and shall be deemed to have come into operation on 18th February 2005.

**Definitions**

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

“asset”, in relation to a transfer, conveyance or assignment of the asset by a transferor entity as referred to in rule 4, means any of the following:

- (a) immovable property or any interest thereof held by the entity;
- (b) stocks or any interest thereof of any company held by the entity;
- (c) in the case of an instrument executed on or after 1st January 2006, interest under any mortgage or debenture held by the entity;

“common holding entity”, in relation to 2 other permitted entities, means the permitted entity that is a holding entity of both of those other entities;

“first common holding entity”, in relation to 2 other permitted entities, means the permitted entity that is a common holding entity of both of those other entities but is not a holding entity of any other common holding entity of both of those other entities;

“group”, in relation to entities, means a group of 2 or more entities where each entity —

- (a) is a holding entity of the other or any of the other entities; or

(b) has the other or one of the other entities as its holding entity,  
or both;

“holding entity”, in relation to another permitted entity —

- (a) in the case of an instrument executed during the period from 18th February 2005 to 15th January 2014 (both dates inclusive) —
  - (i) where the other permitted entity is a company (whether with limited liability or otherwise), has the same meaning as in section 5(4) of the Companies Act (Cap. 50) read with section 5(1)(a) or (b) thereof (with the necessary modifications for a holding entity that is a permitted entity other than a corporation); and
  - (ii) where the other permitted entity is a limited liability partnership, means the permitted entity that controls more than half of the voting power in the limited liability partnership, whether directly or through any intermediary that is a permitted entity; and
- (b) in the case of an instrument executed on or after 16th January 2014, means a permitted entity that controls more than half of the voting power in the other permitted entity, whether directly or through any intermediary that is a permitted entity;

“immediate holding entity”, in relation to another permitted entity —

- (a) in the case of an instrument executed during the period from 18th February 2005 to 15th January 2014 (both dates inclusive) —
  - (i) where the other permitted entity is a company (whether with limited liability or otherwise), has the same meaning as in section 5(4) of the Companies Act read with section 5(1)(a) thereof (with the necessary modifications where the immediate holding entity is a permitted entity other than a corporation); and
  - (ii) where the other permitted entity is a limited liability partnership, means the permitted entity that controls more than half of the voting power in the limited liability partnership directly and not through any intermediary; and
- (b) in the case of an instrument executed on or after 16th January 2014,

means a permitted entity that controls more than half of the voting power in the other permitted entity directly and not through any intermediary;

“permitted entity” means —

- (a) in the case of an instrument executed during the period from 18th February 2005 to 14th February 2007 (both dates inclusive), a company with limited liability; and
- (b) in the case of an instrument executed on or after 15th February 2007 —
  - (i) a company;
  - (ii) a statutory body; or
  - (iii) a limited liability partnership where the contributed capital of the partnership is entirely held by permitted entities;

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

“transferee entity” means a permitted entity to whom any beneficial interest in an asset is transferred, conveyed or assigned;

“transferor entity” means a permitted entity by whom any beneficial interest held by it in an asset is transferred, conveyed or assigned;

“ultimate holding entity” means a permitted entity that —

- (a) is the holding entity of another permitted entity; and
- (b) does not have a holding entity;

“voting capital” means —

- (a) in relation to a company, its reckonable share capital; and
- (b) in relation to a limited liability partnership, its capital that has been contributed to the partnership by its partners.

### **Associated entities**

**3.—(1)** For the purposes of these Rules, 2 permitted entities are associated with each other if the following circumstances apply:

(a) in the case of an instrument executed during the period from 18th February 2005 to 15th January 2014 (both dates inclusive) —

- (i) one of those permitted entities is the beneficial owner (directly or indirectly) of not less than 75% of the voting capital of the other permitted entity; and where the first-mentioned permitted entity is an indirect beneficial owner of any part of the voting capital of the other permitted entity, the first-mentioned permitted entity has more than half of the voting power in respect of the other permitted entity; or
- (ii) a third permitted entity is a holding entity of those 2 permitted entities, and the third permitted entity is the beneficial owner (directly or indirectly) of not less than 75% of the voting capital of each of the 2 permitted entities; and where the third permitted entity is an indirect beneficial owner of any part of the voting capital of any of the 2 permitted entities, the third permitted entity has more than half of the voting power in respect of that permitted entity; and

(b) in the case of an instrument executed on or after 16th January 2014 —

- (i) one of those permitted entities is a holding entity of the other permitted entity, and is the beneficial owner (whether directly or indirectly) of the voting capital and voting power in the other permitted entity to any extent specified in the First Schedule; or
- (ii) a third permitted entity is a holding entity of those 2 permitted entities, and is the beneficial owner (whether directly or indirectly) of the voting capital and voting power in each of those 2 permitted entities to any extent specified in the First Schedule.

(2) For the purposes of paragraph (1)(b), where the permitted entity or a third permitted entity, as the case may be, is, through any particular chain of one or more entities (each referred to in this rule as an intermediate entity), an indirect beneficial owner of the voting capital and voting power in the other permitted entity or either of the 2 permitted entities, as the case may be (each such permitted entity referred to in this rule as the subject permitted entity), such ownership shall be disregarded unless —

- (a) each intermediate entity is a permitted entity; and
- (b) each entity in the chain, from and including the permitted entity or third permitted entity, as the case may be, up to and including the last intermediate entity that directly holds beneficial ownership of any voting