

Stamp Duties (Amendment) Bill

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Bill No: 60/2004

Read the first time: 19th October 2004

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Expenditure of Public Money

Stamp Duties (Amendment) Bill

Bill No. 60/2004

Read the first time on 19th October 2004.

An Act to amend the Stamp Duties Act (Chapter 312 of the 2000 Revised Edition).

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

Short title and commencement

1. This Act may be cited as the Stamp Duties (Amendment) Act 2004 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2 of the Stamp Duties Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the definition of “lease”, the following definition:

““limited liability partnership” has the same meaning as in the Limited Liability Partnerships Act 2004;”.

Amendment of section 15

3. Section 15 of the principal Act is amended —

- (a) by deleting the word “or” at the end of subsection (1)(a);
- (b) by deleting the full-stop at the end of paragraph (b) of subsection (1) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(c) the conversion of a firm to a limited liability partnership under section 20 of the Limited Liability Partnerships Act 2004.”;

- (c) by inserting, immediately after subsection (3), the following subsection:

“(4) In subsection (1), “firm” has the same meaning as in section 2(1) of the Business Registration Act (Cap. 32).”; and

- (d) by deleting the section heading and substituting the following section heading:

“Relief from ad valorem stamp duty”.

New sections 31, 32, 32A and 32B

4. The principal Act is amended by inserting, immediately after section 30, the following sections:

“Conversion of firm and private company to limited liability partnership

31.—(1) Every notice of registration issued by the Registrar upon the conversion of a firm to a limited liability partnership under section 20 of the Limited Liability Partnerships Act 2004 shall be treated for the purposes of this Act as a conveyance on sale from the firm to the limited liability partnership of the chargeable property vested in the limited liability partnership upon such conversion, for a consideration equal to the value of the chargeable property so vested.

(2) Every notice of registration issued by the Registrar upon the conversion of a private company to a limited liability partnership under section 21 of the Limited Liability Partnerships Act 2004 shall be treated for the purposes of this Act as a conveyance on sale from the private company to the limited liability partnership of the chargeable property vested in the limited liability partnership upon such conversion, for a consideration equal to the value of the chargeable property so vested.

(3) In this section —

“chargeable property” means —

- (a) immovable property situate in Singapore, or any beneficial interest thereof; and
- (b) stocks and shares registered in a register kept in Singapore, or any beneficial interest thereof, other than stocks and shares deposited with and registered in the name of the Central Depository System established under section 130C of the Companies Act (Cap. 50) or its nominee;

“firm” has the same meaning as in section 2(1) of the Business Registration Act (Cap. 32);

“private company” has the same meaning as in section 4(1) of the Companies Act;

“Registrar” has the same meaning as in the Limited Liability Partnerships Act 2004.

Significant change of partners of limited liability partnership

32.—(1) This section shall apply for the purposes of sections 32A and 32B in determining whether a change of partners of a limited liability partnership as a result of —

- (a) any person becoming a partner of the limited liability partnership; or

(b) any person ceasing to be a partner of the limited liability partnership, (referred to in this section and sections 32A and 32B as a change of partners) amounts to a significant change of partners of the limited liability partnership (referred to in this section and sections 32A and 32B as a significant change of partners).

(2) A change of partners shall amount to a significant change of partners in the following cases:

(a) where the composition of the partners of the limited liability partnership upon the change of partners in question is such that, when compared to the composition of the partners of the limited liability partnership on one or more specified dates (as defined in subsection (3)) —

(i) half or more of the partners of the limited liability partnership on any of those specified dates are no longer partners of the limited liability partnership upon the change of partners in question; or

(ii) half or more of the partners upon the change of partners in question were not partners of the limited liability partnership on any of those specified dates; or

(b) where the asset share of the partners of the limited liability partnership upon the change of partners in question is such that, when compared to the asset share of the partners of the limited liability partnership on one or more specified dates, the sum total of all relevant increases in asset share of the partners of the limited liability partnership upon the change of partners in question amounts to 50% or more of the interest in the limited liability partnership.

(3) In subsection (2), “specified date” means —

(a) where one or more significant changes of partners took place within a period of 2 years before the change of partners in question —

(i) the date of any change of partners that took place between the significant change of partners closest in time to the change of partners in question and the change of partners in question; and

(ii) the date of the significant change of partners closest in time

to the change of partners in question; and

- (b) where no significant change of partners took place within a period of 2 years before the change of partners in question —
 - (i) in the case of a limited liability partnership formed 2 or more years before the change of partners in question —
 - (A) the date of any change of partners that took place within the period of 2 years before the change of partners in question; and
 - (B) as at 2 years before the change of partners in question; and
 - (ii) in the case of a limited liability partnership formed less than 2 years before the change of partners in question —
 - (A) the date of any change of partners that took place between the formation of the limited liability partnership and the change of partners in question; and
 - (B) the date of the formation of the limited liability partnership.

(4) For the purpose of subsection (2)(b), the relevant increase in asset share of a partner of a limited liability partnership shall be —

- (a) where the partner upon the change of partners in question was also a partner of a limited liability partnership on the specified date, the difference between the asset share of the partner upon the change of partners in question and the asset share of the partner on the specified date; and
- (b) where the partner upon the change of partners in question was not a partner of the limited liability partnership on the specified date, the asset share of the partner upon the change of partners in question.

(5) In this section, “asset share”, in relation to a partner of a limited liability partnership, means any of the following:

- (a) in the case of an asset share upon a change of partners (whether significant or otherwise) —