

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

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Legislative History

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

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

[1st July 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 —

“company” means a company wherever registered or incorporated;

“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. 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 issued share capital, of any particular existing company; and
- (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 shares are 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.

Issue of any unissued share capital

4. For the purposes of a claim for relief under section 15(1) of the Act, a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital shall be treated as if it had increased its nominal share capital.

Particular existing company

5. A company shall not be deemed to be a particular existing company within the meaning of these Rules unless —

- (a) it is provided by the memorandum of association of the transferee company that one of the objects for which the transferee company is established is the acquisition of the undertaking of, or shares in, that company; or