

Stamp Duties (Relief from Stamp Duty Upon Transfer of Assets Between Associated Companies) Rules

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

STAMP DUTIES (RELIEF FROM STAMP DUTY UPON TRANSFER OF ASSETS BETWEEN ASSOCIATED COMPANIES) RULES

R 2

G.N. No. S 580/2000

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Citation

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duty upon Transfer of Assets between Associated Companies) Rules.

Definitions

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

“asset” means immovable property or shares, or any interest thereof;

“company” means a company with limited liability;

“holding company” has the same meaning as in section 5(4) of the Companies Act (Cap. 50) read with section 5 (1) thereof;

“immediate holding company” has the same meaning as in section 5(4) of the Companies Act (Cap. 50) read with section 5 (1) (a) thereof;

“indirect beneficial owner”, in relation to another company, means a holding company within the meaning of section 5(4) of the Companies Act read with section 5 (1) (b) thereof;

“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;

“shares” includes stocks;

“ultimate holding company” has the same meaning as in section 5A of the Companies Act.

(2) In these Rules, any reference to issued share capital is a reference to ordinary shares based on their nominal value.

Conditions for relief from ad valorem stamp duty upon transfer of assets between associated companies

3. The conditions for relief from ad valorem stamp duty upon the transfer of assets between associated companies referred to in section 15(1) of the Act are as follows:

- (a) the effect of any instrument executed on or after 1st July 2000 is to transfer, convey or assign the beneficial interest in any asset owned by one associated company (referred to in these Rules as the transferor company) to another associated company (referred to in these Rules as the transferee company);
- (b) the transferee company is a company that is incorporated in Singapore, or resident in Singapore for income tax purposes within the meaning of section 2 of the Income Tax Act (Cap. 134);
- (c) at the time of execution of the instrument, the transferor company and the transferee company have been associated for at least 12 months prior to the transfer, conveyance or assignment referred to in paragraph (a), except where the transferee company had been incorporated specially for the purpose of the acquisition of the asset referred to in paragraph (a);
- (d) valuable consideration for the acquisition by the transferee company is paid to the transferor company either in cash or by an issue of shares in the transferee company, at the open market value;
- (e) the transfer, conveyance or assignment of the asset is for bona fide commercial reasons;
- (f) the transfer, conveyance or assignment by the transferor company to the transferee company is in respect of the entire beneficial interest held by the transferor company in the asset; and
- (g) the instrument was not made pursuant to or in connection with an arrangement under which —
 - (i) the consideration or any part of it for the acquisition of the asset by the transferee company is (directly or indirectly) provided by or received from —
 - (A) a person other than the transferee company; or
 - (B) a company (referred to in this rule as the third company) which is not associated to the transferee company within the meaning of rule 4, unless the third company is a financial institution acting in the capacity of a lender of funds to the transferee company; and