

# **IRAS e-Tax Guide**

## **Stamp Duty: Seller's Stamp Duty on Industrial Properties**



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

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## 1. Overview

- 1.1 On 11 Jan 2013, the Government announced that a seller's stamp duty (SSD) will be imposed on industrial properties (hereinafter known as "industrial SSD") which are bought or acquired on and after 12 Jan 2013 and sold or disposed of within three years.
- 1.2 Where there is a change in zoning in the Master Plan or change of use on or after 12 Jan 2013 to industrial zones/uses, the date of rezoning or change of use will be taken to be the date of acquisition for the purpose of imposing SSD.
- 1.3 The existing SSD on residential properties remains unchanged.
- 1.4 This Guide explains the circumstances under which SSD on industrial properties will apply, how SSD is computed and the procedures for paying SSD.

## 2. "Industrial Properties" within the Scope of SSD

- 2.1 The following sections list the types of industrial properties that come within the scope of industrial SSD:

- (A) Building units (including those under construction) with permitted industrial uses as shown in Table 1

Table 1 : Permitted Industrial Uses<sup>1</sup>

1.	Light Industrial Building	10.	Wholesale Centre
2.	General Industrial Building	11.	E-business
3.	Special Industrial Building	12.	Media Activities
4.	Warehouse	13.	Call Centre
5.	Business Park	14.	Laboratory
6.	Science Park	15.	Showroom

<sup>1</sup> Permitted use means : -

- (a) A use permitted by a Written Permission given under section 14(4) of Planning Act other than that given for a period of 10 years or less i.e. exclude temporary permission granted by the Competent Authorities for change of use;
- (b) A use authorised by a notification under section 21(6) of Planning Act; or
- (c) Such use, being an existing use of the building or part thereof and not being the subject of a written permission given under section 14 of the Planning Act or a notification under section 21(6) of that Act, was a use to which the building or part thereof was put on 1<sup>st</sup> Feb 1960, and the building or part thereof has not been put to any other use since that date.

To enquire on permitted use, you may:

- (a) Approach the developer or the property owner for the latest Written Permission (WP) and the plans approved under the WP;
- (b) Check the approved use via URA's Electronic Development Register (free). This is an electronic repository for information on all Written Permissions granted or rejected by URA from 1995;
- (c) Submit an Enquiry on Approved Use of Premises at URA e-Services portal (<http://www.ura.gov.sg>) with payment of search fee of \$53.50 per property unit in a building; or
- (d) Apply to URA for a Requisition for Planning Records at URA e-Services portal (<http://www.ura.gov.sg>). There will be a search fee of \$107 and a document fee of \$26.75 for copy of approved plan.

7.	Food Catering	16.	Motor Vehicle Showroom
8.	Industrial Training	17.	Any other factory including food factory
9.	Laundry	18.	Any other use of an industrial nature

- (B) Vacant land or entire building on land with Master Plan zonings as shown in Table 2

Table 2 : Zonings under Master Plan

		<b>Application of SSD</b>
1.	Business 1 (B1)	100% of land/building value
2.	Business 2 (B2)	
3.	Business 1 – White	On land/building value attributable to industrial use, based on the minimum allowable GFA for B1 or B2.
4.	Business 2 – White	
5.	Business Park (BP)	On land/building value attributable to industrial use, based on 85% of total allowable GFA
6.	Business Park – White	On land/building value attributable to industrial use, based on the minimum allowable GFA for non-white use. E.g. for BP-W[40], SSD will be levied on land value based on 60% of GFA.

- 2.2 Where land is sold with existing building/s, the liability for SSD will be determined based on the zoning of the land under the Master Plan.

### 3. Amount of Seller's Stamp Duty (SSD) Payable

3.1 The amount of SSD payable shall be computed in the following manner:

Date of Purchase / Acquisition or Date of Change of Zoning / Use	Holding Period	SSD Payable*
On or after 12 Jan 2013	Up to 1 year	15% of consideration or market value, whichever is higher
	More than 1 year and up to 2 years	10% of consideration or market value, whichever is higher
	More than 2 years and up to 3 years	5% of consideration or market value, whichever is higher
	More than 3 years	No SSD payable

\* SSD payable is to be rounded down to the nearest dollar.

### 4. Manner of Acquisition and Disposal of Properties

4.1 Acquisition or disposal of properties includes transfer of properties by way of:

- (a) Direct sale or sub-sale;
- (b) Collective sale;
- (c) Mortgagee's sale;
- (d) Gift, release, settlement or under declaration of trust where the beneficial interest in the property passes to the beneficiary;
- (e) Distribution in specie upon voluntary winding up of a company;
- (f) Conveyance direction (e.g. Letter of Authority); or
- (g) Exchange.

## **5. Date of Acquisition / Disposal**

### **5.1 Sale or Purchase**

The date of acquisition or disposal refers to :

- (i) Date of execution of the Acceptance to the Option to Purchase (OTP) or Contract; or
- (ii) Date of Sale & Purchase Agreement (where OTP is not applicable); or
- (iii) Date of Transfer (where (i) and (ii) above are not available nor applicable).

### **5.2 By Way of Inheritance or By Operation of the Right of Survivorship**

The date of acquisition shall be the date the property was acquired by the deceased prior to his death, and the date of disposal shall be the date the property is disposed of by the beneficiary or the surviving owner.

### **5.3 By Way of Gift, Release, Settlement, Trust**

The date of acquisition or disposal shall be the date the beneficial interest or legal interest in the property passes, whichever is the earlier date.

### **5.4 By Any Other Means**

The date of acquisition or disposal shall be the date the property or any beneficial interest in the property is vested or divested under the law.

## **6. Date of Change of Use or Rezoning on or after 12 Jan 2013**

- 6.1 Properties for which written permission under the Planning Act has been granted for a change of use to a permitted use listed in Table 1 or for which the land has been rezoned to a land use zoning listed in Table 2 will be subject to SSD if they are disposed of within 3 years from the date of change of use or rezoning.

## **7. Date of Stamping and Payment Due Date**

- 7.1 A document is duly stamped only when stamp duty is fully paid. SSD must be paid within 14 days of disposal mentioned in paragraph 5. Where the Contract or Agreement is executed overseas, SSD must be paid within 30 days of the receipt of the Contract or Agreement in Singapore.

## **8. Exemptions and Remissions**

### **8.1 SSD is exempted for the following:**

- i. Disposal of properties by the public authorities (eg HDB and JTC) in exercising their statutory functions and duties ;
- ii. Compulsory acquisition of properties by the Government under the Land Acquisitions Act;
- iii. Disposal of properties arising from bankruptcy proceedings or involuntary winding up;
- iv. Re-possession of properties by HDB and JTC;
- v. Disposal of property to JTC due to the following schemes:
  - (a) JTC Enbloc Redevelopment Scheme
  - (b) JTC Selective Buyback Scheme

### **8.2 SSD may be remitted<sup>2</sup> upon application for the following:**

- i. Disposal of property arising from matrimonial proceedings (i.e. divorce) in which specific remission<sup>3</sup> for buyer's stamp duty has been granted to the transferee;
- ii. Disposal of property under a conveyance direction in which specific remission<sup>6</sup> for buyer's stamp duty has been granted to the transferee;
- iii. Disposal of property made pursuant to section 15 of the Stamp Duties Act in which specific relief for buyer's stamp duty has been granted to the transferee;
- iv. Developers' sale of the industrial properties developed by them.

### **8.3 Remission for SSD for industrial properties developed and sold by developers can be applied to IRAS.**

A developer can be a:

- (a) Person;
- (b) Group of persons, whether in partnership or otherwise;
- (c) Society, whether a co-operative society or otherwise;
- (d) Company; or

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<sup>2</sup> You need not pay SSD while applying for SSD remissions

<sup>3</sup> Stamp Duties (Matrimonial Proceedings) (Remission) Rules 2005



(e) Limited liability partnership  
who or which engages in or undertakes industrial development.

Industrial development means constructing or causing to be constructed any industrial property.

Any reference to construction shall include any –

- (i) Building operations; or
  - (ii) Demolition and rebuilding operations,
- in, on, over or under any land for the purpose of erecting the industrial property.

The above shall exclude any alteration or addition to, or any repair or partial demolition and rebuilding of, the industrial property.

To apply for remission, please write to IRAS with a copy of Provisional Permission or Written Permission granted under the Planning Act for the development of the industrial properties.

## **9. SSD Payment Procedures**

- 9.1 Where SSD is payable, stamping or payment can be done via the [e-Stamping Portal](#).
- 9.2 With effect from 12 Jan 2013, all sellers of industrial properties are required to fill out a Seller's Stamp Duty for Industrial Properties Declaration Form, to be witnessed by their lawyers. A copy of the form can be found on our [website](#). The completion of this form is mandatory.

The completed form need not be submitted to IRAS. However, law firms are advised to retain the original declaration forms for at least 5 years from the date of sale/ disposal of the property as IRAS may request for it for audit purposes.

## **10. Implications of Non-Payment of SSD**

- 10.1 If the seller is liable but fails to pay SSD, the Contract or Agreement is not considered duly stamped even though the buyer may have stamped and paid the buyer's stamp duty. Therefore, it is in the buyer's interest to ensure that the seller pays the SSD.

- 10.2 Under the Stamp Duties Act, a penalty of up to 4 times the amount of deficient duty may be imposed for late or non-payment of stamp duty. IRAS will conduct audit checks on a regular basis.

## 11. Illustrations

Industrial properties acquired on or after 12 Jan 2013 and disposed of within 3 years' of purchase.

### Example 1 : -

Mr A buys a factory unit after 12 Jan 2013 for \$1,500,000 and sells it for \$2,000,000 after eight months.

- Since the property is bought after 12 Jan 2013 and sold within one year, SSD is payable at 15% on the consideration of \$2,000,000, assuming this is a fair market value:

$$\text{SSD} = 15\% \text{ of } \$2,000,000 = \underline{\underline{\$300,000}}$$

Vacant land zoned for mixed purposes acquired on or after 12 Jan 2013, and disposed of within 3 years' of purchase.

### Example 2 : -

Mr B buys a piece of vacant land zoned for mixed purposes (e.g. B1 – White) on 20 Jan 2013 and sells it for \$60 million on 30 Jun 2014.

- For sale of vacant land, SSD will be based on the Master Plan zoning. As the land is zoned “B1 – White”, SSD will be payable based on the land value attributable to industrial purpose based on the minimum GFA set aside for B1 use.
- The value of the industrial component may be determined by a professional valuer. Alternatively, an application for adjudication can be submitted to IRAS.
- Since the property is sold within 2 years of purchase, Mr B is liable to pay SSD at 10% on the consideration / value apportioned to the industrial component. If the value of the land attributed to the industrial component is, say \$50,000,000, SSD may be computed as follows:

$$\text{SSD} = 10\% \text{ of } \$50,000,000 = \underline{\underline{\$5,000,000}}$$

## **12. Contact Information**

12.1 For enquiries on this Guide, please contact :

Property Tax Division  
Valuation and Stamp Duty Branch  
Inland Revenue Authority of Singapore  
55 Newton Road  
Revenue House  
Singapore 307987

Tel : 1800 460 4923

Email : [estamp@iras.gov.sg](mailto:estamp@iras.gov.sg)

## **13. Frequently Asked Questions**

### General

**Q1. Why is the holding period for SSD for industrial properties 3 years, compared to 4 years for residential properties?**

The SSD is designed to strike a balance between discouraging short-term speculation and minimizing the impact on genuine industrialists who need to restructure due to changes in their business plans. A holding period of less than 3 years may not be effective in discouraging sub-sale flipping (the flipping of property before it is completed), as an industrial development usually takes about 3 years to build. On the other hand, having a holding period that is too long may hinder genuine industrialists who need to restructure. End-users with business plans shorter than 3 years should consider renting the properties instead of buying.

**Q2. For the sale and purchase of a property, which date should be used to determine SSD liability and the holding period?**

The date to be used is:

- (i) Date of Acceptance to the Option to Purchase (OTP) or Contract; or
- (ii) Date of Sale & Purchase Agreement (where (i) is not applicable); or
- (iii) Date of Transfer (where (i) and (ii) above are not available nor applicable).

### Properties Affected

**Q3. On what basis did the government decide which are the uses or zoning to be included in “Industrial property”?**

The SSD is targeted at space where industrial activities are conducted. The specified “industrial” uses are typically found in industrial space.

Similarly, “industrial” land refers to land where the development of such industrial uses is allowed.

**Q4. How do I know if the use of the property is a permitted use?**

To find out the permitted use of a property, you may:

- (a) Approach the developer or the property owner for the latest Written Permission (WP) and the plans approved under the WP;

- (b) Check the approved use via URA's Electronic Development Register (free). This is an electronic repository for information on all Written Permissions granted or rejected by URA from 1995;
- (c) Submit an Enquiry on Approved Use of Premises at URA e-Services portal (<http://www.ura.gov.sg>) with payment of search fee of \$50 for per property unit in a building; or
- (d) Apply to URA for a Requisition for Planning Records (using Form DC15). There will be a search fee of \$100 and a document fee of \$25 for copy of approved plan.

#### Liability for SSD

**Q5. An industrial property was transferred to me by way of a gift after 12 Jan 2013. Do I need to pay SSD if I sell it within 3 years?**

Yes, SSD applies if you sell the industrial property within 3 years. Had the property been given to you before 12 Jan 2013, SSD would not apply.

**Q6. If I inherit an industrial property from a deceased relative after 12 Jan 2013, do I need to pay SSD if I sell it within 3 years?**

If the deceased had acquired the property on or after 12 Jan 2013, SSD applies when you sell it within 3 years from the date of acquisition by the deceased. But if the deceased had acquired the property before 12 Jan 2013, SSD would not apply.

**Q7. If I acquire one-third share of my parents' food factory on 20 Jan 2013, do I need to pay SSD if I sell it within 3 years?**

As you have acquired one-third share in the property after 12 Jan 2013, SSD applies when you sell it within 3 years. SSD will be levied based on one-third of the consideration/value, taking into account your one-third share of the property.

**Q8. A factory unit which I bought after 12 Jan 2013 has been sold in a collective sale. I am one of the minority owners who had objected to the sale. Does SSD apply to me?**

Yes, SSD applies notwithstanding that you had objected to the collective sale. If the sale did not go through subsequently, you can apply for a refund of the SSD paid.

**Q9. My ex-spouse and I purchased a warehouse building after 12 Jan 2013. The Court has now ordered me to transfer my share of the property to my ex-spouse. Does SSD apply to me if I transfer my share within 3 years from date of purchase?**

You may apply for SSD to be remitted as this is a disposal of property pursuant to matrimonial proceedings. You need not pay SSD pending your application for SSD remission.

#### Sale of Properties by Developers

**Q10. My company bought 2 old industrial buildings, demolished them, and rebuilt 2 new industrial buildings for sale. Would SSD be remitted if we sell them within the 3 years holding period?**

You may apply for SSD to be remitted if your company qualifies as a developer. See criteria below: -

A developer is a:

- (a) Person;
  - (b) Group of persons, whether in partnership or otherwise;
  - (c) Society, whether a co-operative society or otherwise;
  - (d) Company; or
  - (e) Limited liability partnership
- who or which engages in or undertakes industrial development.

Industrial development means constructing or causing to be constructed any industrial property.

Any reference to construction shall include any –

- (i) Building operations; or
  - (ii) Demolition and rebuilding operations,
- in, on, over or under any land for the purpose of erecting the industrial property. The above shall exclude any alteration or addition to, or any repair or partial demolition and rebuilding of, the industrial property.

To apply for remission, please write to IRAS with a copy of Provisional Permission or Written Permission granted under the Planning Act for the development of industrial properties.

**Q11. My company is in the business of developing industrial properties for sale. We bought a piece of land on 12 Jan 2013 with the intention to build a industrial property. If we change our plan and sell the land instead of developing it, does SSD apply to the sale of land?**

Yes, SSD applies if your company sells the land within 3 years without developing it.

### Payment

#### **Q12. How do I pay SSD?**

Where SSD for industrial properties are payable, payment can be done via the e-Stamping Portal (<https://estamping.iras.gov.sg>).

#### **Q13. When must SSD be paid?**

SSD must be paid within 14 days of execution of the Contract or Agreement. Where the Contract or Agreement is executed overseas, SSD must be paid within 30 days from the date of receipt of the Contract or Agreement in Singapore.

#### **Q14. Can SSD be deferred or paid by instalments?**

No, stamp duty must be paid in full for the Contract or Agreement to be duly stamped.

#### **Q15. As a buyer of a industrial property, do I have to ensure that the seller pays the SSD if he is liable?**

If the seller is liable but fails to pay SSD, the Contract or Agreement between you and the seller is considered unstamped even if you had paid the buyer's stamp duty. Hence it is in your interest to ensure that the seller pays the SSD.

#### **Q16. How do I know if the seller is liable to pay SSD?**

If the seller has bought the industrial property on or after 12 Jan 2013 and sold it within 3 years from the date of purchase, he would have to pay SSD. In the process of conveyancing, your lawyer would check with the seller's lawyer or make a search on the property to ascertain the date of purchase by the seller. Whether the seller is liable for SSD and the amount of SSD payable would depend on the date of purchase and the date of sale. Please refer to paragraph 3.1 for details.

#### **Q17. As a buyer, how do I ensure that the SSD is duly paid?**

You may ask for a copy of the stamp certificate from the seller's lawyer as proof that SSD has been paid. If the seller has not paid the SSD by the sale completion date,

it is in your interest to ask your lawyer to withhold the stamp duty amount payable by the seller plus any penalty chargeable.

The authenticity of the stamp certificate may be verified via the e-Stamping Portal (<https://estamping.iras.gov.sg>) under **Check Stamp Certificate Authenticity**.

### **Compliance**

**Q18. Do all sellers need to fill up the SSD declaration form upon disposing their industrial properties?**

Yes, all sellers of industrial properties are required to complete the “Seller’s Stamp Duty for Industrial Properties Declaration Form” to declare whether or not they are liable to pay SSD. IRAS may call for the form for audit purposes.

**Q19. Will I be penalised if I fail to pay SSD?**

If you fail to pay SSD, a penalty of up to 4 times the duty payable may be imposed.