

# **Stamp Duties (Amendment No. 2) Bill**

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**Bill No. 38/2005.**

*Read the first time on 17th October 2005.*

A BILL

*intituled*

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 No. 2) Act 2005 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### 5 Amendment of section 15

2. Section 15 of the Stamp Duties Act (referred to in this Act as the principal Act) is amended —

- (a) by deleting the words “Article 3(a), (b) and (c)” in subsection (1) and substituting the words “Articles 3(a) and (c) and 9(c)”;
- 10 (b) by deleting paragraph (b) of subsection (1) and substituting the following paragraph:
  - “(b) the transfer, conveyance or assignment of any beneficial interest in any asset between —
  - (i) companies which are associated in such manner as may be prescribed;
  - 15 (ii) registered business trusts which are associated in such manner as may be prescribed; or
  - (iii) companies and registered business trusts which are associated in such manner as may be prescribed; or”;
  - 20 and
- (c) by deleting subsection (4) and substituting the following subsection:
  - “(4) In this section —
  - “firm” has the same meaning as in section 2(1) of the
  - 25 Business Registration Act (Cap. 32);
  - “registered business trust” has the same meaning as in section 2 of the Business Trusts Act (Cap. 31A).”.

### Repeal of sections 22A and 22B

3. Sections 22A and 22B of the principal Act are repealed.

### 30 New section 32C

4. The principal Act is amended by inserting, immediately after section 32B, the following section:

**“Amalgamation of companies under sections 215A to 215H of Companies Act**

5 **32C.**—(1) This section shall apply to an amalgamation of companies in accordance with sections 215A to 215H of the Companies Act (Cap. 50), where applicable.

(2) Every notice of amalgamation issued by the Registrar of Companies under section 215F of the Companies Act upon an amalgamation referred to in subsection (1) shall be treated for the purposes of this Act as a conveyance on sale —

10 (a) by each amalgamating company (referred to in this section as the transferor) in respect of the chargeable property held by that transferor which is transferred to and vested in the amalgamated company (referred to in this section as the transferee) upon the amalgamation; and

15 (b) for a consideration equal to —

(i) the value of the chargeable property so vested; or

(ii) where the amount of consideration is specified in any instrument relating to the transfer of the chargeable property by the transferor to, and the vesting of the chargeable property in, the transferee, that amount,

20 whichever is the higher.

(3) In this section, “chargeable property” means —

(a) immovable property situate in Singapore, or any beneficial interest thereof; and

25 (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 or its nominee.”.

30 **Amendment of section 36**

**5.** Section 36 of the principal Act is amended by inserting, immediately after the words “for the transfer on sale” in paragraph (d), the words “or transfer by way of gift”.

## EXPLANATORY STATEMENT

This Bill seeks to amend the Stamp Duties Act (Cap. 312).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 15 —

- (a) to take into account the removal of Article 3(b) from the First Schedule *vide* the Stamp Duties Act (Amendment of First and Third Schedules) Notification 2003 (G.N. No. S 192/2003);
- (b) to extend the ad valorem duty relief under that section to transfers of mortgages and debentures by including a reference to Article 9(c) of the First Schedule; and
- (c) to extend the ad valorem duty relief under that section to business trusts registered under the Business Trusts Act (Cap. 31A).

Clause 3 repeals sections 22A and 22B so as to abolish the ad valorem duty payable by a vendor on the conveyance on sale of certain properties.

Clause 4 inserts a new section 32C, which applies to an amalgamation of companies in accordance with sections 215A to 215H of the Companies Act (Cap. 50) (as inserted by the Companies (Amendment) Act 2005 (Act 21 of 2005)), where applicable.

Under the new section 32C, every notice of amalgamation issued by the Registrar of Companies under section 215F of the Companies Act (as inserted by the Companies (Amendment) Act 2005) upon an amalgamation to which the section applies is to be treated for the purposes of the Act as a conveyance on sale —

- (a) by each amalgamating company (referred to in the section as the transferor) in respect of the chargeable property held by that transferor which is transferred to the amalgamated company (referred to in the section as the transferee) upon the amalgamation; and
- (b) for a consideration equal to —
  - (i) the value of the chargeable property so vested; or
  - (ii) where the amount of consideration is specified in any instrument relating to the transfer of the chargeable property by the transferor to, and the vesting of the chargeable property in, the transferee, that amount,

whichever is the higher.

Clause 5 amends section 36(d) so as to extend the exemption from stamp duty chargeable under the Act to transfers of foreign stock by way of gift.

**EXPENDITURE OF PUBLIC MONEY**

This Bill will not involve the Government in any extra financial expenditure.

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