

Stamp Duty changes

There are three types of duties payable on the sale, purchase, acquisition or disposal of properties in Singapore:

- Buyer's Stamp Duty (BSD) – payable on the purchase or acquisition of residential and non-residential property. *Last updated 20 February 2018.
- Additional Buyer's Stamp Duty (ABSD) – payable on the purchase or acquisition of residential property, rates vary according to the profile of the buyer. ***Last updated 6 July 2018.**
- Seller's Stamp Duty (SSD) – applicable to residential and industrial properties, payable if sold within the holding period.

Other stamp duty taxes on property

- Mortgages for properties - Stamp Duty is computed based on the loan amount.
- Lease / Tenancy Agreements for properties - Stamp Duty is calculated on the actual rent or market rent, whichever is higher.

The changes effective from 6 July 2018

The Government announced changes to ABSD and the tightening of loan-to-value limits (not covered in this publication) on residential property to “cool” the property market.

There is no change in ABSD for Singapore Citizens and Singapore Permanent Residents buying their **first** residential property with rates remaining at 0% and 5% respectively.

For all other individuals ABSD will be raised by 5%, including Singapore Citizens and Permanent Residents buying additional properties. For entities, ABSD will be raised by 10% to a whopping 25%.

There will be an additional ABSD of 5% for developers purchasing residential properties for housing development making a potential top rate of stamp duty on the purchase of residential property 34%.

The rates

Buyer's Stamp Duty (BSD)

Buyers will suffer BSD on the acquisition of property located in Singapore on the higher of the purchase price and the market value of the property. With effect from 20 February 2018 (transitional rules apply), different rates apply for residential and non-residential property as set out below.

Buyer's Stamp Duty (BSD)		
Purchase price or market value	Residential properties	Non-residential properties
First \$180,000	1%	1%
Next \$180,000	2%	2%
Next \$640,000	3%	3%
Remaining Amount	4%	

Additional Buyer's Stamp Duty (ABSD)

Buyers suffer ABSD on top of the BSD for the purchase of **residential** property and is based on the same value. The amount of ABSD suffered depends on the profile of the buyer.

Additional Buyer's Stamp Duty (ABSD)		
Profile of buyer	ABSD rates to 5 July 2018	ABSD rates from 6 July 2018
Singapore citizen 1 st residential property	N/A	N/A
Singapore citizen buying 2 nd residential property	7%	12%
Singapore citizen buying 3 rd & subsequent residential property	10%	15%
Singapore permanent resident buying 1 st residential property	5%	5%
Singapore permanent resident buying 2 nd & subsequent residential property	10%	15%
Foreigners buying any residential property	15%	20%
Entities buying residential property	15%	25% (+5% for developer)

Transitional rules

There is a transitional remission for residential properties acquired on or after 6 Jul 2018 such that the former ABSD rates, instead of the new ABSD rates, will apply.

For buyers to be eligible for the remission, the following conditions must strictly be met:

- i. The option to purchase (OTP) is granted on or before 5 Jul 2018;
- ii. The OTP is exercised on or before 26 Jul 2018 or the date of expiry of the OTP validity period, whichever is earlier; and
- iii. The OTP is not varied (including any extension of the validity period) on or after 6 Jul 2018. No remission is applicable for Singapore Citizens or Singapore Permanent Residents buying 1st residential property as there is no change to their ABSD rates.

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