

NEW ADDITIONAL BUYER'S STAMP DUTY ('ABSD') RATES

ABSD rate essentially doubled for foreigners and non-housing-developer entities acquiring Singapore residential property

Pre-emptive increase in rates

On 26 Apr 2023, Singapore's Ministry of Finance ('MOF') announced a substantial increase to the ABSD rates on the acquisition of Singapore residential properties, to promote a sustainable property market. The change in rates will take effect from **27 April 2023**.

ABSD rates have been raised across the board (excluding Singapore citizens and permanent residents buying their first residential property), but the increase is highest for foreigners and non-housing-developer entities.

Liable buyers are required to pay ABSD on top of the existing Buyer's Stamp Duty (BSD). ABSD and BSD are computed on the purchase price as stated in the dutiable document or the market value of the property **(whichever is the higher amount)**.

Refer our previous alert on Stamp Duty in Singapore ([click here](#)) for more information in relation to the scope of Stamp duty applicability



Determining ABSD liability

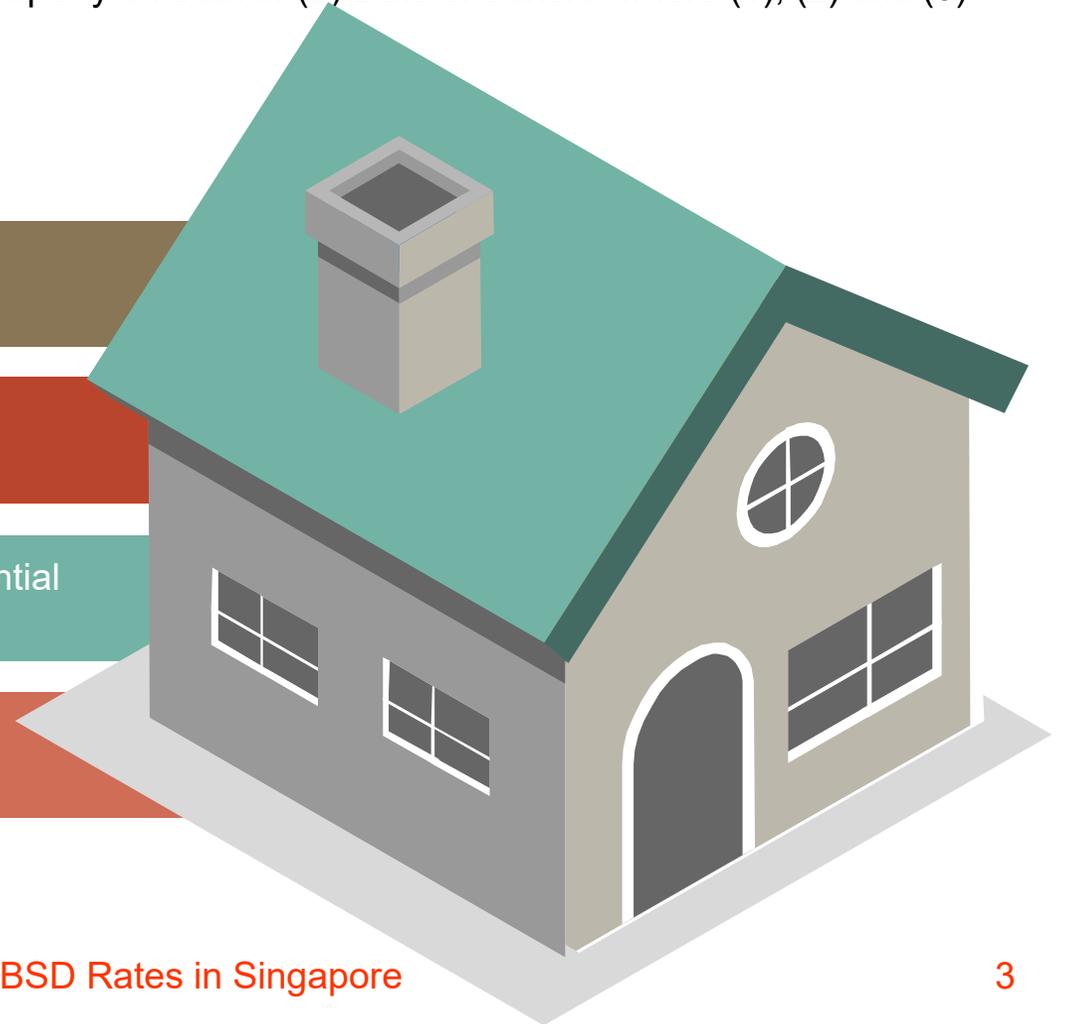
The ABSD liability will depend on the profile of the buyer as at the date of purchase or acquisition of the residential property. The date of purchase or acquisition refers to the earliest of : (a) Date of execution of the Acceptance to the Option to Purchase or (b) Date of Sale & Purchase Agreement or (c) Date of instrument which places the residential property on trust or (d) Date of transfer where (1), (2) and (3) are not available nor applicable.

Whether the buyer is an individual or an entity

The profile of the buyer

The count of residential properties owned by the buyer (including residential property beneficially owned and held in trust)

Whether the residential property is to be held in a living trust



ABSD Rate Structure

All entities will be subject to the new ABSD rate of 65%. Housing developers are subject to the ABSD rate of 35% and an additional non-remittable ABSD rate of 5% upon stamping, i.e., aggregate ABSD rate of 40%. Such developers may apply for upfront remission on the ABSD rate of 35% under ABSD Housing Developers Remission.



Entities who are acquiring residential properties with no intention to undertake housing development of the subject property acquired should pay the ABSD rate of 65%.



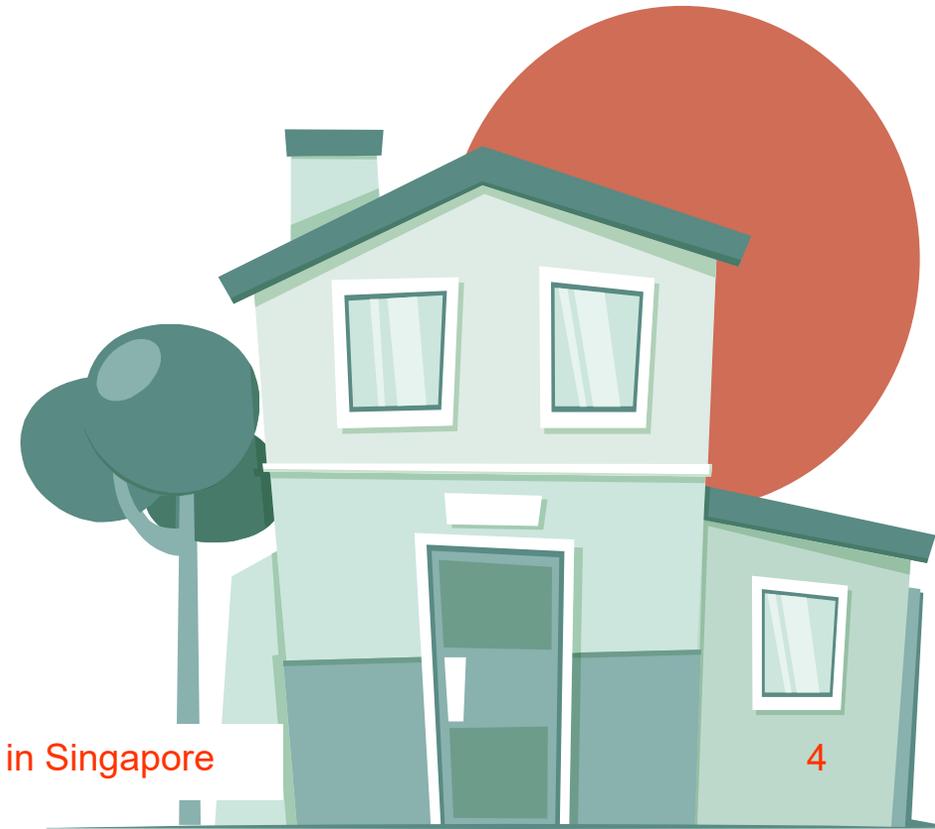
It is important for the purchasing entity to decide whether it will undertake housing development of the subject property at the point of purchase, in order to ascertain the ABSD treatment. Any subsequent change of intention will not be considered for stamp duty purposes.



For example, entities who paid the ABSD rate of 65% will not qualify for the ABSD Housing Developers Remission, even if they fulfil the remission conditions subsequently.



All buyers / transferees (i.e., individuals, entities, housing developers) are required to complete the ABSD Declaration Form to be witnessed by their lawyers (if applicable). The completed form need not be submitted to IRAS, unless requested.



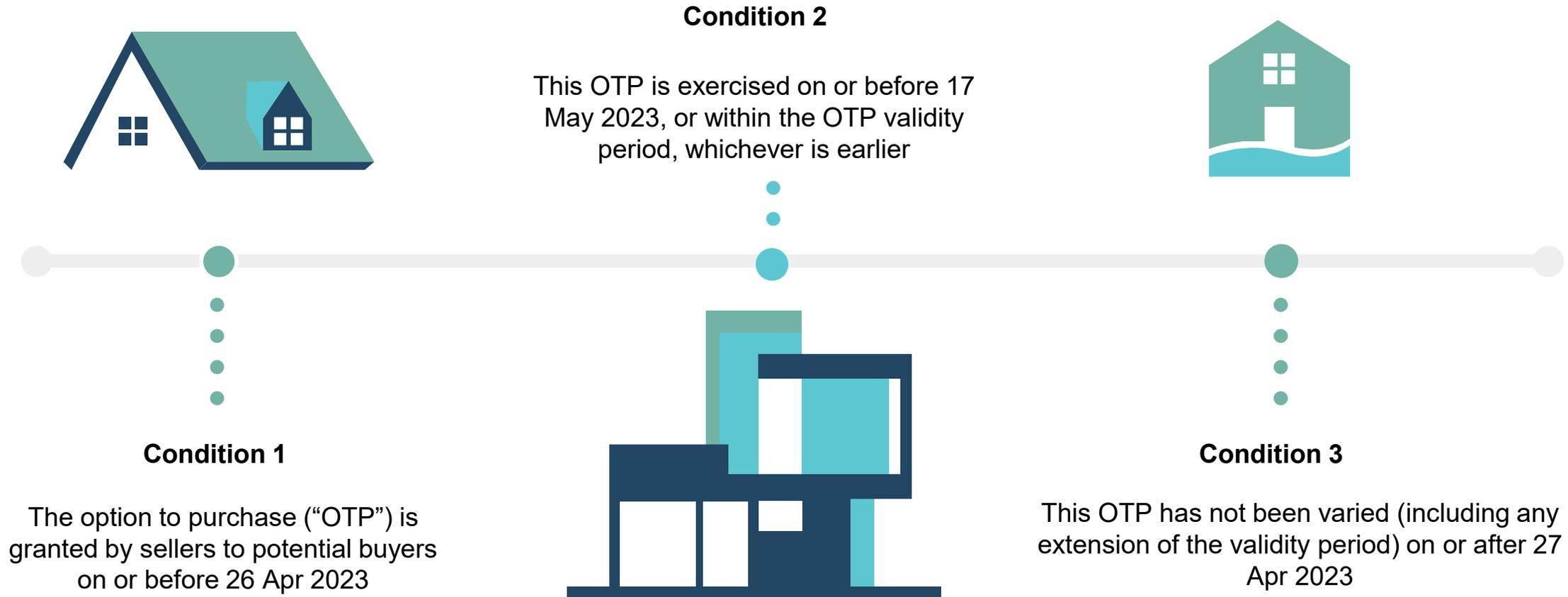
Revised Rates

Profile of Buyer		BSD (1)	ABSD (2)	Total Stamp Duty: (1) + (2)
Singapore citizen	1 st residential property	Up to 6%	None <i>(no change)</i>	Up to 6%
	2 nd residential property	Up to 6%	20% <i>(previously 17%)</i>	Up to 26%
	3 rd residential property onwards	Up to 6%	30% <i>(previously 25%)</i>	Up to 36%
Singapore Permanent resident	1 st residential property	Up to 6%	5% <i>(no change)</i>	Up to 11%
	2 nd residential property	Up to 6%	30% <i>(previously 25%)</i>	Up to 36%
	3 rd residential property onwards	Up to 6%	35% <i>(previously 30%)</i>	Up to 41%
Foreigners	Any residential property	Up to 6%	60% <i>(previously 30%)</i>	Up to 66%
Non-Housing Developer Entity	Any residential property	Up to 6%	65% <i>(previously 35%)</i>	Up to 71%
<i>Transfer to / Declaration of Living Trust over Residential Property – BSD + ABSD (Trust)</i>				
Any residential property transfer to a Trustee (or declared by a Trustee as being held on) living trust for a beneficiary		Up to 6%	65% <i>(previously 35%, but remissible subject to conditions)</i>	Depending on profile of the "identifiable individual beneficiary" and satisfaction of all remission conditions.
<i>Transfer of Residential Property pursuant to will, Intestate Succession Act or Muslim Law of Inheritance ('Succession Laws')</i>				
Any transfer of property by way of asset pursuant to will or Succession Laws		None	None	None

* Previously mentioned rates refer to rates for the period 16 Dec 2021 to 26 Apr 2023

Transitional Provision

There will be a transitional provision where ABSD rates before 27 April 2023 will apply for cases that **meet all of the following conditions**:



**Further, the IRAS has indicated it will not extend the deadlines in the ABSD transitional remission rules, even in cases where the validity period of the OTP extends beyond or commences after 17 May 2023. The ABSD remission will not be granted if any of the conditions are not met.*

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