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**STAMP DUTIES ACT
(CHAPTER 312)**

**STAMP DUTIES
(RELIEF FROM STAMP DUTIES UPON CONVERSION OF
FIRM TO LIMITED LIABILITY PARTNERSHIP)
RULES 2013**

ARRANGEMENT OF RULES

Rule

1. Citation and commencement
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In exercise of the powers conferred by sections 15 and 77 of the Stamp Duties Act, the Minister for Finance hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duties Upon Conversion of Firm to Limited Liability Partnership) Rules 2013 and shall be deemed to have come into operation on 19th February 2011.

Conditions for relief from ad valorem stamp duty upon conversion of firm to limited liability partnership

2. The conditions for relief from ad valorem stamp duty in respect of the conversion of a firm (referred to in these Rules as the original firm)

to a limited liability partnership referred to in section 15(1) of the Act are —

- (a) the partners of the limited liability partnership on the date of the conversion (referred to in these Rules as the original partners) were also the partners of the original firm immediately before that date;
- (b) the assets of the limited liability partnership on the date of the conversion were the sole assets of the original firm immediately before that date; and
- (c) the amount of capital contributed by each original partner as at the date of the conversion remains the same as in the original firm immediately before that date.

Prescribed matter leading to disallowance of relief

3.—(1) For the purpose of section 15(3) of the Act, a claim for relief from ad valorem stamp duty in respect of the conversion of a firm to a limited liability partnership referred to in section 15(1) of the Act shall be deemed to have been disallowed if the total amount of the partnership interest of one or more of the original partners disposed of in the period of 2 years from (and including) the date of the conversion is more than 25% of the total amount of the partnership interest of all the original partners on the date of the conversion.

(2) Paragraph (1) applies also to the disposal of the partnership interest of an original partner or any part thereof to another original partner, but does not apply to the disposal of the partnership interest of an original partner or any part thereof to —

- (a) a company or limited liability partnership wholly associated with the original partner; or
- (b) the trustee-manager of a registered business trust wholly associated with the original partner, to be held as trust property of that trust.

(3) For the purposes of paragraph (2)(a) and (b), a company, limited liability partnership or registered business trust is wholly associated with an original partner if —

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- (a) the original partner beneficially owns all the equity interests of the company, limited liability partnership or registered business trust; or
 - (b) a person beneficially owns all the equity interests of the original partner, and also all the equity interests of the company, limited liability partnership or registered business trust.
- (4) For the purposes of paragraph (3), if —
- (a) a person beneficially owns (including by virtue of one or more applications of this paragraph) all the equity interests of another person (referred to in this paragraph as a first level entity); and
 - (b) the first level entity beneficially owns all the equity interests of yet another person or a registered business trust (referred to in this paragraph as a second level entity),

then the first-mentioned person is taken to beneficially own all the equity interests of the second level entity.

- (5) In this rule —

“equity interests” —

- (a) in relation to a company, means its shares;
- (b) in relation to a limited liability partnership, means its capital; and
- (c) in relation to a registered business trust, means units in the trust;

“partnership interest” means a partner’s interest in the capital of the limited liability partnership.

Statutory declaration

4. Where a claim is made for relief under section 15(1) of the Act, the Commissioner may require the delivery to him of a statutory declaration in such form as he may direct, made by an advocate and solicitor or such other person as the Commissioner may allow, as well as such further evidence as the Commissioner considers necessary.

Commissioner to be notified of certain occurrences

5.—(1) Where a claim for relief under section 15(1) of the Act has been allowed and any matter specified in rule 3 leading to disallowance occurs, then the limited liability partnership shall notify the Commissioner of the circumstances of the occurrence within 30 days from the date of the occurrence.

(2) A limited liability partnership which fails to comply with paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

(3) Where an offence committed under paragraph (2) is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a partner or manager of the partnership, then the partner or manager shall also be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Revocation

6. The Stamp Duties (Relief from Stamp Duties Upon Conversion of Firm to Limited Liability Partnership) Rules 2005 (G.N. No. S 247/2005) are revoked.

Made this 22nd day of January 2013.

LIM SOO HOON
Permanent Secretary
(Finance) (Performance),
Ministry of Finance,
Singapore.