STAMP DUTIES ACT
(CHAPTER 312, SECTIONS 15 AND 77)

STAMP DUTIES (RELIEF FROM STAMP DUTY UPON RECONSTRUCTION OR AMALGAMATION OF COMPANIES) RULES

ARRANGEMENT OF RULES

[1st July 2000[1]]

Citation

1. These Rules may be cited as the Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules.

Definitions

2.—(1) In these Rules, unless the context otherwise requires —

"reckonable share capital" means the issued share capital (by whatever name called) of the company other than share capital which consists of shares that do not entitle the holder thereof to the right to vote at a general meeting;

[S 678/2008 wef 18/02/2005]

[1] Rule 8 came into operation on 18th December 2000

"relevant offer of shares", in relation to a company, means —

(*a*) the initial public offer; or

(*b*) a subsequent offer,

for subscription or sale of shares of the company where —

(i) the shares are listed on the Singapore Exchange, or listed both on the Singapore Exchange and elsewhere; and

(ii) the total issued shares that are offered to the public do not exceed the prevailing minimum requirement set by the Singapore Exchange for a main board listing of the shares at the time of the initial public offer or subsequent offer, as the case may be;

"relevant shareholder", in relation to an existing company, means —

(*a*) any shareholder of the existing company who acquired shares in the existing company prior to its initial public offer of shares referred to in paragraph (*a*) of the definition of "relevant offer of shares";

(*b*) any shareholder of the existing company who acquired shares in the existing company directly from any shareholder referred to in paragraph (*a*); or

(*c*) any shareholder of the existing company which is a private company;

"shares" includes stocks.

(2) In these Rules, any reference to the undertaking of an existing company includes a reference to a part of the undertaking of an existing company.

Conditions for relief from ad valorem stamp duty upon reconstruction or amalgamation of companies

3.—(1) Subject to paragraph (3), the conditions for relief from ad valorem stamp duty in respect of a scheme for the reconstruction of

any company or companies or the amalgamation of companies referred to in section 15(1) of the Act are as follows:

(*a*) that a company with limited liability (referred to in these Rules as the transferee company) —

(i) is to be registered;

(ii) has been incorporated; or

(iii) has increased its capital,

with a view to the acquisition either of the undertaking, or of not less than 90% of the reckonable share capital, of any particular existing company for valuable consideration at the open market value;

[S 678/2008 wef 18/02/2005; S 372/2014 wef 22/05/2014]

(*b*) that not less than 90% of the consideration for the acquisition (except such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) consists of —

(i) where an undertaking is to be acquired, the issue of shares in the transferee company to the existing company or to the shareholders of the existing company; or

(ii) where reckonable share capital is to be acquired, the issue of shares in the transferee company to the shareholders of the existing company in exchange for the shares held by the shareholders in the existing company;

[S 678/2008 wef 18/02/2005; S 372/2014 wef 22/05/2014]

(*c*) that the claim for relief from duty is made —

(i) in a case where the instrument in question is executed in Singapore, within 14 days after such execution; and

(ii) in a case where the instrument in question is executed outside Singapore, within 30 days after such execution;

[S 372/2014 wef 22/05/2014]

(*d*) that where the claim for relief from duty is made before the execution of the instrument in question, the instrument is executed within 4 months after any indication by the Commissioner that the duty will not be chargeable on the instrument on the basis of the likelihood of the other conditions being satisfied.

[S 372/2014 wef 22/05/2014; S 372/2014 wef 22/05/2014]

(2) For the purpose of paragraph (1)(*b*), the shares that are to be issued to the existing company or to the shareholders of the existing company shall not consist of shares that do not entitle the holder thereof to the right to vote at a general meeting.

[S 678/2008 wef 18/02/2005]

(3) Where the transferee company is wholly associated with the existing company, then —

(*a*) notwithstanding paragraph (1)(*a*), the reference to valuable consideration at the open market value may be read as a reference to valuable consideration at the existing company's book value;

(*b*) notwithstanding paragraph (1)(*b*), any part or the whole of the consideration for the acquisition in question (including such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) may be paid in cash; and

(*c*) the Commissioner may, in his discretion and subject to such terms and conditions as he may impose, extend any period referred to in paragraph (1)(*c*) and (*d*) if, in unavoidable circumstances —

(i) in the case of paragraph (1)(*c*), the claim for relief could not be made within the 14-day or 30-day period, as the case may be; and

(ii) in the case of paragraph (1)(*d*), the instrument could not be executed within the 4-month period.

[S 372/2014 wef 22/05/2014]

(4) For the purposes of paragraph (3), the transferee company shall be taken to be wholly associated with the existing company if —

(*a*) either one of the companies is the beneficial owner (directly or indirectly) of 100% of the reckonable share capital of the other company; and where the first-mentioned company is an indirect beneficial owner of 100% of the reckonable share capital of the other company, the first-mentioned company has 100% of the voting power in respect of the other company; or

(*b*) a third company is the beneficial owner (directly or indirectly) of 100% of the reckonable share capital of each of the transferee company and the existing company; and where the third company is an indirect beneficial owner of 100% of the reckonable share capital of the transferee company or the existing company, the third company has 100% of the voting power in respect of that company.

[S 372/2014 wef 22/05/2014]

4. [*Deleted by S 678/2008 wef 01/01/2009*]

Particular existing company

5. A company shall not be deemed to be a particular existing company within the meaning of these Rules unless —

(*a*) it is provided by the memorandum of association of the transferee company that one of the objects for which the transferee company is established is the acquisition of the undertaking or reckonable share capital of that company; or

(*b*) it appears from the resolution, act or other authority for the increase of the capital of the transferee company that the increase is authorised for the purpose of acquiring the undertaking or reckonable share capital of that company.

[S 678/2008 wef 18/02/2005]

Statutory declaration

6. 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, and such further evidence as the Commissioner considers necessary.

Subsequent disallowance of relief

7.—(1) Subject to paragraph (2), the matters referred to in section 15(3)(*b*) of the Act are as follows:

(*a*) the existing company or any of its relevant shareholders ceases to be the beneficial owner of the shares in the transferee company issued to it or them as mentioned in rule 3(1)(*b*) within a period of 2 years from the date of the —

(i) registration of the transferee company;

(ii) incorporation of the transferee company; or

(iii) authority to increase the capital of the transferee company,

as the case may be, otherwise than in consequence of any reconstruction, amalgamation or liquidation;

(*b*) the transferee company ceases to be the beneficial owner of the undertaking or any of the reckonable share capital acquired in an existing company within a period of 2 years from the date of the —

(i) registration of the transferee company;

(ii) incorporation of the transferee company; or

(iii) authority to increase the capital of the transferee company,

as the case may be, otherwise than in consequence of any reconstruction, amalgamation, liquidation or relevant offer of shares; or

(*c*) subject to paragraph (3), the instrument for the purposes of or in connection with the acquisition was not —

(i) executed within a period of 12 months from the date of the registration of the transferee company, or the date of the authority to increase the share capital of the transferee company, as the case may be; or

(ii) made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the Registrar of Companies within the period of 12 months from the date of the agreement.

[S 678/2008 wef 01/01/2009; S 372/2014 wef 22/05/2014]

(2) For the purpose of an amalgamation under section 215D of the Companies Act (Cap. 50), the matters referred to in section 15(3)(*b*) of the Act are as follows:

(*a*) the transferee company ceases to be the beneficial owner of the undertaking within a period of 2 years from the date specified in the notice of amalgamation issued under section 215F of the Companies Act, otherwise than in consequence of any reconstruction, amalgamation, liquidation or relevant offer of shares; or

(*b*) subject to paragraph (3), the instrument for the purposes of or in connection with the amalgamation was not —

(i) executed within a period of 12 months from the date specified in the notice of amalgamation; or

(ii) made for the purpose of effecting a conveyance or transfer in pursuance of an amalgamation proposal approved by the amalgamated company which has been filed with the Registrar of Companies within the period of 12 months from the date of the approval.

[S 678/2008 wef 01/01/2009; S 372/2014 wef 22/05/2014]

(3) The Commissioner may, in his discretion and subject to such terms and conditions as he may impose, extend the 12-month period referred to in paragraph (1)(*c*)(i) or (2)(*b*)(i), as the case may be, if, in

unavoidable circumstances, the instrument cannot be executed within the 12-month period.

[S 372/2014 wef 22/05/2014]

Commissioner to be notified of certain occurrences

8.—(1) Where a claim for relief under section 15(1) of the Act has been allowed and any matter specified in rule 7 occurs, each company which was a party to the instrument for the purposes of or in connection with the acquisition shall notify the Commissioner of the circumstances of the occurrence within 30 days from the date of the occurrence.

(2) Any company 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.

Refund of stamp duty paid

9. Notwithstanding rule 3(1)(*a*), if, in the case of any scheme of reconstruction or amalgamation, the Commissioner is satisfied that a claim for relief under section 15(1) of the Act could have been made but for the fact that less than 90% of the reckonable share capital of the particular existing company was acquired by the transferee company, the Commissioner may make a refund of the amount of ad valorem duty that would not have been chargeable under section 15(1) of the Act if rule 3(1)(*a*) had been originally fulfilled —

(*a*) where it is proved to the satisfaction of the Commissioner that not less than 90% of the reckonable share capital of the particular existing company has under the scheme been acquired within a period of 6 months from the earlier of the following 2 dates:

(i) the last day of the period of one month after the first allotment of shares made for the purposes of the acquisition; or

(ii) the date on which an invitation was issued to the shareholders of the existing company to accept shares in the transferee company; and

[S 678/2008 wef 18/02/2005]

(*b*) on production to the Commissioner of the instrument on which the ad valorem duty has been paid.

Amalgamations under section 215D of Companies Act

10. Rules 3, 5 and 9 shall not apply to amalgamations under section 215D of the Companies Act (Cap. 50).

[S 678/2008 wef 01/01/2009]

[G.N. No. S 581/2000]

LEGISLATIVE HISTORY

STAMP DUTIES (RELIEF FROM STAMP DUTY UPON RECONSTRUCTION OR AMALGAMATION OF COMPANIES) RULES (CHAPTER 312, R 3)

This Legislative History is provided for the convenience of users of the Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules. It is not part of these Rules.

1. **G. N. No. S 581/2000 — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules 2000**

   Date of commencement : 1 July 2000

2. **G. N. No. S 581/2000 — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules 2000**

   Date of commencement : 18 December 2000

3. **2002 Revised Edition — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) Rules**

   Date of operation : 31 January 2002

4. **G. N. No. S 678/2008 — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) (Amendment) Rules 2008**

   Date of commencement : 18 February 2005

5. **G. N. No. S 678/2008 — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) (Amendment) Rules 2008**

   Date of commencement : 1 January 2009

6. **G.N. No. S 372/2014 — Stamp Duties (Relief from Stamp Duty upon Reconstruction or Amalgamation of Companies) (Amendment) Rules 2014**

   Date of commencement : 22 May 2014