

ANNEX I

Raising Additional Buyer's Stamp Duty (ABSD) Rates & Imposing ABSD on New Groups of Buyers

- 1 Currently, ABSD is imposed on certain groups of buyers:
- (i) Foreigners and non-individuals purchasing any residential property, at a rate of 10%,
 - (ii) Permanent Residents (PRs) purchasing their second and subsequent properties, at a rate of 3%; and
 - (iii) Singaporeans purchasing their third and subsequent properties, at a rate of 3%.

- 1 ABSD rates will be raised on the above groups of buyers. In addition, ABSD will be imposed on two new groups of buyers:

- (i) PRs purchasing their first residential property at a rate of 5%; and
- (ii) Singaporeans purchasing their second residential property at a rate of 7%.

- 3 The new ABSD structure is as follows:

Citizenship	ABSD Rate on 1st Purchase	ABSD Rate on 2nd Purchase	ABSD Rate on 3rd & Subsequent Purchase
Singapore Citizens	Existing: NA Revised: NA	Existing: NA Revised: 7%	Existing: 3% Revised: 10%
Permanent Residents	Existing: NA Revised: 5%	Existing: 3% Revised: 10%	Existing: 3% Revised: 10%
Foreigners and non-individuals (corporate entities)	Existing: 10% Revised: 15%	Existing: 10% Revised: 15%	Existing: 10% Revised: 15%

- 4 Singaporean first-time buyers and Singaporean buyers of HDB flats will not be affected by the new measure.

- 5 For purchases made jointly by two or more parties, the higher applicable ABSD rate will be imposed. For example, if a Singaporean purchases a property with a foreigner, the ABSD rate of 15% will apply irrespective of the number of properties each owns. If two Singaporeans jointly purchase a

property with one of them already owning a residential property at the time of purchase, the ABSD rate of 7% will apply.

- 5 However, ABSD relief will be provided for joint purchases by married couples with at least one Singaporean spouse (i.e. a married couple with a Singaporean spouse and PR / foreigner spouse). Such purchases will not be subject to ABSD, as long as both spouses do not own any other property at the time of purchase. This relief facilitates their purchase of a matrimonial home, and puts them in the same position as a married couple with both Singaporean spouses who are purchasing their first residential property.
- 6 ABSD relief will also be provided to eligible married couples with at least one Singaporean spouse, who have purchased a second private residential property and will dispose their existing residential property.
 - (i) The ABSD paid will be refunded if these Singaporean married couples dispose their first property within six months of the purchase of the second property, if the latter property is a completed unit.
 - (ii) If the second property is an uncompleted unit, the refund will be given if the first property is disposed within six months of the Temporary Occupation Permit (TOP) or Certificate of Statutory Completion (CSC) date of the second property, whichever is earlier.
 - (iii) These Singaporean couples must also not acquire any other residential property before the disposal of the first residential property, if they wish to avail themselves of the refund on ABSD paid on the second property.
- 7 The revised ABSD structure will take effect on residential property purchased on or after 12 January 2013¹. If a buyer of a residential property has been granted Option to Purchase on and before 11 January 2013 and exercises it thereafter on or before 1 February 2013 (without any extension of the option validity period), the buyer can apply to the Inland Revenue Authority of Singapore (IRAS) for remission so that the old ABSD rate will apply.
- 8 IRAS will be releasing an E-tax guide on the circumstances under which ABSD is applicable and the procedures for paying ABSD. The E-tax guide will be available at www.iras.gov.sg. Taxpayers with enquiries may call IRAS at 6351 3697 or 6351 3698.

¹ The material date of acquisition is the date on which the contract is made. For instance, where there is an Option to Purchase, the material date shall be the date when the Option is exercised. In the case of a direct sale of an uncompleted property by the developer where the Sale & Purchase Agreement constitutes the first contract between the developer and the Original Purchaser, the date of acquisition shall be the date of the Sale & Purchase Agreement between the developer and the Original Purchaser.