
TECHNICAL

Direct Taxation

INCENTIVES FOR BUSINESS TRUST(BT)

Following the 2013 Budget proposals, the following exemption Orders were gazetted on 3 April 2013 to exempt stamp duty and real property gains tax arising in relation to the transfer of any business asset or real property to a BT *for the purpose of initial offering of the BT*:

P.U. (A)	Citation	Effective period
127/2013	Stamp Duty (Exemption) (No. 7) Order 2013	1 Jan 2013 to 31 Dec 2017
128/2013	Real Property Gains Tax (Exemption) Order 2013	

In both Orders above, “business trust” and “trustee-manager” (TM) have the same meaning assigned to them under the Capital Markets and Services Act 2007 [Act 671] (CMSA).

Real Property Gains Tax (Exemption) Order 2013 [P.U. (A) 128/2013]

The Minister exempts any person from payment of real property gains tax (RPGT) on the chargeable gains accruing on the disposal of any chargeable asset (including shares in a real property company) to a trustee-manager on behalf of a business trust. The disposal must be in relation to the initial offering of the business trust.

For the exemption to apply, the disposal should be to a trustee-manager on behalf of a business trust which:

- (a) has been registered with or recognized by the Securities Commission pursuant to Division 3B of Part VI of the CMSA; and
- (b) has been approved or authorized pursuant to Division 1A or Division 3A of Part VI of the CMSA.

The Orders may be viewed at the website of the [Attorney General's Chambers](#).

Stamp Duty (Exemption) (No. 7) Order 2013 [P.U. (A) 127/2013]

This Order grants exemption from stamp duty on all instruments executed by a TM on behalf of a BT in relation to the transfer of any business, asset or real property to a BT for the purpose of initial offering of the BT for the purpose of initial offering of the BT.

The business trust on behalf of which the trustee-manager is acting should be one which:

- (a) has been registered with or recognized by the Securities Commission pursuant to Division 3B of Part VI of the CMSA; and
- (b) has been approved or authorized pursuant to Division 1A or Division 3A of Part VI of the CMSA.

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