

LEGAL UPDATES

September 2021

STAMP DUTY (EXEMPTION) – RESTRUCTURING OF LOANS

Pursuant to Stamp Duty (Exemption)(No.11) Order 2021, which was deemed to have come into operation from 1 July 2021, any instrument of loan or financing relating to the restructuring or rescheduling of a loan or financing executed between 1 July 2021 and 31 December 2021 is, on application, to be exempt from stamp duty.

Application of the Exemption

The exemption is subject to the following terms and conditions:

- The Instrument for the existing loan or financing has been duly stamped
- The instrument of loan or financing relating to the restructuring or rescheduling does not contain the element of additional value to the original amount of the loan or financing.

To note that interest or profit accrued from the restructured or rescheduled payments is not considered as an element of additional value.

“Restructuring or rescheduling” is defined to mean “any modification... to existing repayment terms and conditions... pursuant to a concession provided by the financial institution due to the inability of the borrower or customer to comply with the existing repayment schedule consequent to deteriorating financial conditions”.

The exemption from stamp duty is an additional measure which will go towards reducing the cost of doing business for eligible businesses impacted by the COVID-19 pandemic.

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