

## Land Betterment Charge (LBC) Act

1. With effect from 1 August 2022, a new Land Betterment Charge (LBC) has replaced Differential Premium (DP), Development Charge (DC) and Temporary Development Levy (TDL), which were previously administered by the Singapore Land Authority (SLA) and Urban Redevelopment Authority (URA) respectively. The LBC is a tax on the increase in value of land arising from a chargeable consent (e.g. planning permission) given in relation to a development of any land, and is administered by SLA
2. Under the LBC process, landowners seeking to develop their sites need not make a separate application to SLA for the payment of LBC once a planning application or plan lodgement for an authorised development has been submitted to URA. If a proposed development results in an increase in land value, SLA will follow up directly with the taxable person by issuing a Liability Order (LO) stating the LBC payable. Payment must be made to SLA within 1 month from the date of the LO. This will apply to all planning permissions, plan lodgement and variation of restrictive covenants granted on or after 1 August 2022. For more information on the LBC Act, please refer to the link below.

<https://www.sla.gov.sg/state-land-n-property/land-sales-and-lease-management/lease-management>

3. Land owners are the default party liable for LBC. However, for proposals where the increase in value of land arises from their lessees'/ tenants' proposals, SLA gives land owners the legal option to transfer this liability to their lessees/ tenants. To effect this transfer, the LBC Act requires the land owners' lessees/ tenants to submit the Notice of Assumption of Liability Form ("Form") to SLA. Upon SLA's acknowledgement, SLA will then issue the Liability Order (LO) to the land owners' lessees/ tenants. Following the payment of the LBC to SLA, URA will then issue the planning permission for the land owners' lessees/ tenants to proceed with their proposals.
4. This process will apply to proposals that incur LBC on JTC land. Prior to URA's issuance of the planning permission, JTC will pass the Form to the relevant JTC lessees/tenants to fill and submit to SLA. SLA will then issue the LO to the lessees/tenants. Thereafter, the lessees/tenants are to pay the LBC to SLA, before URA will issue the planning permission. This new process has additional steps of forms-filling to effect the LBC liability onto the correct party, hence may take more time before URA's Written Permission is released to JTC lessees/tenants (compared to the process pre-1 Aug 22).
5. Hence, to shorten the time that JTC lessees/tenants can get URA's Written Permission, JTC lessees/ tenants are to complete and submit the completed Form as part of your Plan Consent submission via the Corenet, to JTC upfront. Lessees/ tenants also need to provide a Letter of Consent (as shown below) for JTC to forward the completed Form to SLA. The Letter of Consent will have to be on the lessees/ tenants' company letterhead, dated and signed off. This additional paragraph can also be added into the company's cover letter to JTC for Plan Consent submissions, if you do not want to have a separate letter. When SLA informs JTC about the relevant proposals that incur LBC, JTC will forward the lessees/ tenants' completed Form and Letter of Consent to SLA directly. JTC will concurrently alert lessees/ tenants of the payment, so that you can then send the payment to SLA directly.

I, <Designation> <Name of lessee/tenant>, of <Company's name> grant consent to JTC to forward the "Notice of Assumption of Liability" form to SLA, in the event LBC is payable arising from the planning application.

6. This new requirement for JTC's lessees/ tenants to submit the completed Form upfront via the Corenet is a process enhancement by JTC to help companies obtain your planning permission by URA without delay/faster. If the Assumption of Notice of Liability form is not submitted upfront via the Corenet at JTC Plan Consent stage, more time will be needed for JTC to subsequently engage our lessees/ tenants for SLA's required forms to transfer the LBC payment liability to the correct party. Please also note that lessees/ tenants will be required to complete and submit a new Form whenever there are changes to the Project Title and for every development proposal of the site. Upon receipt of the LO from SLA, should lessees/ tenants decide not to pay the LBC, the proposal will be considered to be aborted, the earlier-completed liability Form sent to JTC becomes invalid and URA will not follow up with the issuance of the planning permission.