

**QUESTIONS & ANSWERS
REMOVAL OF THE INTEREST ABSORPTION SCHEME (IAS)**

Q1 The press release issued by MND, MOF, MinLaw and MAS states that for uncompleted private residential projects where the units had already been offered for sale under the IAS before 14 Sep 2009, developers may continue to offer the IAS. What does “offered for sale” mean?

A1 Projects where the developer and its partner bank(s) have entered into an agreement before 14 Sep 2009 to offer IAS for a project, and where the developer or its agent has already invited any person to purchase units in the project, can continue to offer IAS.

Q2 If a developer is not sure if its private residential project meets MAS’ criteria on banks to offer IAS, what should it do?

A2 All banks are required to submit to MAS a list of projects which had been offered for sale under IAS before 14 Sep 2009. The developer should therefore work with its partner bank(s) to ascertain if it could continue to offer IAS for its project.

Q3 A developer is selling a private residential project in phases and units were offered for sale under IAS for one or more phases. Can the developer offer IAS to purchasers of the entire project?

A3 Where the developer and its partner bank have entered into an agreement before 14 Sep 2009 to offer IAS for a project and where the developer or its agent has already invited any person to purchase units in the project (regardless of phases) before 14 Sep 2009, it can continue to offer IAS.

Q4 A developer has previously written in to the Controller on the offer of IAS to purchasers of units in a private residential project and the Controller had indicated that he has no objection to the offer of the IAS. Can the developer continue to offer IAS?

A4 If the developer had not offered units in the private residential project for sale under IAS before 14 Sep 2009, it would not be allowed to offer IAS even if it had written to the Controller regarding the offer of IAS.

Q5 Does the removal of IAS apply to commercial and industrial projects?

A5 No, the removal of IAS applies only to private residential properties.

Q6 Would the removal of the IAS apply to public housing flats under the Design, Build and Sell Scheme (DBSS) and Executive Condominium projects?

A6 There are currently no Executive Condominium projects with unsold units on the market. Similarly, none of the developers of DBSS projects have requested for the IAS to be offered. The Government can consider whether IAS can be allowed for such projects if there are requests later.