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**TECHNICAL**

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**Direct Taxation**

**[STAMP DUTY \(EXEMPTION\) ORDER 2016 \[P.U. \(A\) 68/2016\]](#)**

The above [Order](#) is deemed to have come into operation on 1 January 2015.

**Exemption**

Under Rule 2(1), exemption from stamp duty (SD) is granted in relation to any instrument of loan agreement or financing according to syariah that is chargeable with SD under subsubitem 27(a)(i) of the First Schedule (Instruments Chargeable with SD) of the [Stamp Act 1949](#), executed between a Small and Medium Enterprise which has received approval from the Secretariat for [Green Lane Policy](#) of the Ministry of Finance for an incentive under the Green Lane Policy, and –

- a) Bank Perusahaan Kecil & Sederhana Malaysia Bhd.;
- b) Bank Pembangunan Malaysia Bhd.;
- c) Export-Import Bank of Malaysia Bhd.;
- d) Bank Pertanian Malaysia Bhd.;
- e) Malaysia Industrial Development Finance Bhd.; or
- f) Malaysia Debt Ventures Bhd.

Subsubitem 27(a)(i), First Schedule of the [Stamp Act 1949](#) stipulates that:

**Item 27** Charge Or Mortgage, Agreement for a Charge or Mortgage, (including that under the Syariah) Bond, Covenant, Debenture (not being a marketable security) Bill of Sale by way of security and Warrant of Attorney to confess and enter up judgment:

- (a) Being the only or principal or primary security (other than an equitable mortgage or an assignment of receivables or the kind mentioned in paragraph (d)) for the payment or repayment of money –
  - (i) where the loan is to a small and medium enterprise or financing is provided to a small and medium enterprise according to the syariah—

For an amount not exceeding RM250,000 of the aggregate loans or of the aggregate financing under the syariah in a calendar year	RM0.50 for every RM1,000 or fractional thereof
For each additional RM1,000 not exceeding RM1,000,000	RM2.50 for every RM1,000 or fractional thereof
For each additional RM1,000 or part thereof	RM 5.00

**Conditions**

1. The subject instrument must be executed on or after 1 January 2015 but not later than 31 December 2017;
2. The exemption may be granted only once.

Members may read the Order in full at the official website of [Attorney-General's Chambers](#).

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