

TECHNICAL

Direct Taxation

REVISED GUIDELINES ON REAL PROPERTY GAINS TAX (RPGT)

The Inland Revenue Board of Malaysia (LHDNM) has issued the above ([Bahasa Malaysia version](#) only) on 13 June 2018 which replaces the [RPGT Guidelines dated 18 June 2013](#). (Please refer to our [e-CTIM TECH-DT 54/2018](#) dated 21 August 2018).

An outline of the contents as shown by the headings of each paragraph is given below:

Para. #	Subject (headings)	Highlights of contents (The no. in brackets (#) denotes the no. of the sub-paragraph in the guidelines.)
1	Introduction	The Real Property Gains Tax Act, 1976 (RPGTA) was introduced to replace the Land Speculation Tax Act 1974.
2	Purpose	To explain the computation of RPGT in accordance with the provisions of the RPGTA, including amendments under the Finance Act (No.2) 2017 [Act 801]
3	Scope of imposition	RPGT is charged upon gains from the disposal of assets (defined) situated in Malaysia. (3.1)
4	RPGT rates	Shows the rates applicable to the following disposers: - other than companies, non-citizens and non-resident individuals (4.4) - companies (4.5) - non-citizens and non-resident individuals (4.6)
5	Date of disposal and date of acquisition	Determination of disposal date – Example 1(5.1), and acquisition date (5.2)
6	Disposal price and acquisition price	Determination of disposal price (6.1) and acquisition price (6.2)
7	Disallowed expenditure	Expenses that are disregarded in determining acquisition/ disposal price for RPGT purposes.
8	Determination of chargeable gain or allowable loss	Steps in computing chargeable gain and RPGT payable.
9	Utilisation of allowable loss	Loss on disposal is only computed in respect of disposal of land. Computation of allowable loss shown in Example 2 (9.2) and utilization of loss in Example 3 (9.3).
10	Exemptions	Exemption under Para. 2, Sched. 4, RPGTA. (10.1) – Examples 4,5 and 6
11	Transfer of real property by way of gift	Example 7 – transfer of property for love and affection.
12	Transfer of real property by inheritance	Acquisition date and acquisition price for legatee (12.1)
13	Joint venture with developer	Disposal of property received in return for land contributed under joint venture agreement with a

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		developer (13.2) – Examples 8 – 11.
14	Transfer of real property to controlled companies	Implications for disposer (individual) and acquirer (company) (14.2) – Example 12
15	Transfer of property asset to trading stock under paragraph 17A Schedule 2 RPGTA	Disposal price and acquisition price under this deemed disposal.
16	Shares of Real Property Companies	How the provisions under Para. 34A, Sched. 2 of the RPGTA are applied (16.1 to 16.8) – Examples 13 - 15
17	Application of Paragraphs 34A and 34, Schedule 2 of the RPGTA which are mutually exclusive	The provisions of Para. 34A, Sched. 2 of the RPGTA do not apply to the acquisition or disposal of shares under Para. 34 Sched. 2 of the RPGTA. (17.1)
18	Filing procedures of RPGT return form	Return Forms applicable for disposals from 1.1.2010 (18.1 to 18.4)
19	Responsibilities of disposer	Forms and other documents required to be submitted by the disposer.
20	Responsibilities of acquirer	Forms and other documents required to be submitted by the acquirer.
21	Receiving of RPGT return form	Consequences of failure to submit a complete Return (21.1) or late submission (21.2)
22	Method of form submissions	Submission by manual (22.1) and electronic (22.2) means
23	Cancellation of disposal or sale transaction	Documents required to be submitted to notify LHDNM of cancellation of transaction.
24	Payment of RPGT	Responsibilities relating to payment of RPGT that are imposed on the acquirer (24.1), the disposer (24.2), and a disposer whose property is disposed of by auction.
25	Procedures for RPGT refund	Circumstances for refund of RPGT (which is made to the disposer) (25.1 to 25.3)
Appendix	Agreement Declaration Letter for Application of RPGT Refund	

Members may read the Revised RPGT Guidelines in full at the websites of the [Institute](#) and the [LHDNM](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the above Revised RPGT Guidelines.

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