

TECHNICAL

Direct Taxation

REAL PROPERTY GAINS TAX EXEMPTION ORDERS 2018

The following Orders for the exemption of Real Property Gains Tax (RPGT) were reported in our [e-CTIM TECH-DT 101/2018](#) dated 31 December 2018 and [e-CTIM TECH-DT 3/2019](#) dated 9 January 2019:

	P.U.(A)	Date of Gazette	Citation	Came into operation on
1.	<a href="#">360/2018</a>	28/12/2018	RPGT (Exemption) Order 2018	1/1/2019
2.	<a href="#">368/2018</a>	31/12/2018	RPGT (Exemption) Order 2018*	1/1/2010
3.	<a href="#">369/2018</a>	31/12/2018	RPGT (Exemption) (No. 2) Order 2018	1/1/2010
4.	<a href="#">372/2018</a>	31/12/2018	RPGT (Exemption) (No. 3) Order 2018	1/1/2019
* This citation may be erroneous as it is the same as the Order under P.U. (A) 360/2018.				

The exemptions provided in these Orders are summarized below:

Exemption

	P.U.(A)	Exemption	Requirements
1.	<a href="#">360/2018</a>	The Minister exempts any individual who is a citizen from the application of Schedule 5 of the RPGT Act from the payment of tax on the chargeable gain accruing on the disposal of a chargeable asset, other than shares, on or after 1/1/2019. [Para. 2(1)]	(a) The disposal of the chargeable asset (CA) is made in the 6 <sup>th</sup> year after the date of acquisition of that asset or any year thereafter; and (b) The consideration for the disposal of the CA is not more than RM200,000.
2.	<a href="#">368/2018</a>	The Minister exempts any individual, who acquires directly from the <i>developer</i> a whole building or a part of a building or a parcel of a building, for the purpose of residential or commercial or both, in the Node Medini, from the payment of RPGT in respect of the chargeable gains accruing on the disposal of the building or part of the building or a parcel of the building made on or after 1/1/2010 until 31/12/2020. [Para.	The <i>developer</i> shall be a developer that – (a) is incorporated under the Companies Act 2016 and resides in Malaysia; (b) acquires any rights over part or the whole of the land to undertake development in Node Medini in accordance with the master plan of the Node; and (c) is approved by the Minister

		2(1)]	
3.	<a href="#">369/2018</a>	The Minister exempts an <i>IDR status company</i> , which is a Iskandar Development Region status company that acquires directly from the <i>developer</i> a whole building or a part of a building or a parcel of a building, for the purpose of residential or commercial or both, in the Node Medini, from the payment of RPGT in respect of the chargeable gains accruing on the disposal of the building or part of the building or a parcel of the building made on or after 1/1/2010 until 31/12/2020. [Para. 2(1)]	The <i>IDR status company</i> shall be a company that – (a) is incorporated under the Companies Act 2016 and resides in Malaysia; (b) undertakes qualified activity as specified in the <a href="#">Schedule</a> , in Node Medini; and (c) is approved by the Minister. The <i>developer</i> must meet the same requirements as those stated above for the developer referred to in the <i>RPGT (Exemption) Order 2018 [P.U.(A) 368/2018]</i>
4.	<a href="#">372/2018</a>	The Minister exempts any individual who is a citizen or a permanent resident from the application of Schedule 5 of the RPGT Act from payment of tax on the chargeable gain accruing on the disposal of a chargeable asset, other than shares, on or after 1/1/2019. [Para. 2(1)]	(a) The disposal of the chargeable asset (CA) is made in the 6 <sup>th</sup> year after the date of acquisition of that CA or any year thereafter; and (b) The contract for the disposal of the CA is conditional whereby it requires the approval of the Government or a State Government as provided under paragraphs 16(a) or (b) of Schedule 2 to the RPGT Act and is executed before 1/1/2019; and (c) The approval by the Government or a State Government for the disposal of the CA is obtained in the year 2019 or any year thereafter.

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

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my) in respect of any suggestions, concern or comments you may have on the Orders.

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