
TECHNICAL

Direct Taxation

[REAL PROPERTY GAINS TAX \(EXEMPTION\) ORDER 2020 \[P.U. \(A\) 218/2020\]](#)

This [Exemption Order](#) was gazetted on 28 July 2020 and is deemed to have come into operation on 1 June 2020. This exemption was announced in the Short-Term Economic Recovery Plan (PENJANA) on 5 June 2020 (refer to page 10 of the [Proposed Tax Measures](#) reported in our [e-CTIM TECH-DT 58/2020](#) dated 4 August 2020).

Some of the provisions of the Order are summarized below.

Subparagraph	Summary
Interpretation under paragraph 2	
In this Order, “residential property” means a house, a condominium unit, an apartment or a flat in Malaysia, and includes a service apartment and a small office home office (SOHO), owned by an individual, jointly or solely, which is used only as a dwelling house.	
Exemption under paragraph 3	
(1)	Subject to subparagraphs (2) and (3), the Minister exempts any individual who is a citizen from the application of Schedule 5 to the Act for the payment of tax on the chargeable gain accruing on the disposal of a residential property on or after 1 June 2020 until 31 December 2021.
(2)	The exemption referred to in subparagraph (1) shall be applicable on the condition that – <ul style="list-style-type: none">(a) not more than three units of residential property disposal of shall be eligible for each disposer;(b) the residential property disposed of is not acquired within the period from 1 June 2020 until 31 December 2021 –<ul style="list-style-type: none">(i) by way of a transfer between spouses; or(ii) by way of a gift between spouses, parent and child or grandparent and grandchild where the donor is a citizen; and(c) the sale and purchase agreement for the disposal of the residential property is executed on or after 1 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022 or where there is no sale and purchase agreement, the instrument of

	transfer for the disposal of the residential property is executed on or after 1 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022.
(3)	For the purpose of subparagraph (1), where the disposal residential property exceed three units, the disposer may elect any three from the said disposals of residential properties to be exempted and the election so made shall be irrevocable.

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

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