

TECHNICAL

Indirect Taxation

Stamp Duty (Exemption) Orders 2020 [P.U. (A) 216/2020 & P.U. (A) 217/2020]

The above Exemption Orders were gazetted on 28 July 2020 and are deemed to have come into operation on 1 June 2020. The exemptions were announced in the Short-Term Economic Recovery Plan (PENJANA) on 5 June 2020 (refer to page 9 of the [Proposed Tax Measures](#) reported in our [e-CTIM TECH-DT 58/2020](#) dated 4 August 2020).

The extracts of some of the provisions in the Orders are set-out below.

Order	Extracts of some of the provisions in the Order
Stamp Duty (Exemption) (No. 3) Order 2020 [P.U. (A) 216/2020]	<p>Paragraph 2(1)</p> <p><i>“Subject to subparagraphs (2), (3) and (4), stamp duty shall be exempted in respect of any loan agreement to finance the purchase of residential property under the Home Ownership Campaign 2020/2021, the value of which is more than three hundred thousand ringgit but not more than two million five hundred thousand ringgit, executed between an individual named in a sale and purchase agreement and--”</i></p> <p>Paragraph 2(2)</p> <p><i>“The stamp duty exemption under subparagraph (1) shall only apply if—</i></p> <ul style="list-style-type: none"> <i>(a) the sale and purchase agreement for the purchase of the residential property is between an individual and a property developer;</i> <i>(b) the purchase price in the sale and purchase agreement referred to in subparagraph (a) is a price after a discount of at least ten per cent from the original price offered by the property developer except for a residential property which is subject to controlled pricing; and</i> <i>(c) the sale and purchase agreement for the purchase of the residential property is executed on or after 1 June 2020 but not later than 31 May 2021 and is stamped at any branch of the Inland Revenue Board Malaysia.”</i> <p>Paragraph 2(4)(b)</p> <p><i>““individual” means a purchaser of a residential property who is a Malaysian citizen or co-purchasers of a residential property who are Malaysian citizens; and”</i></p>

Order	Extracts of some of the provisions in the Order
<u>Stamp Duty (Exemption) (No. 4) Order 2020 [P.U. (A) 217/2020]</u>	<p>Paragraph 2(1)</p> <p><i>“Subject to subparagraphs (2), (3), (4) and (5), all instrument of transfer for the purchase of a residential property under the Home Ownership Campaign 2020/2021 the value of which is more than three hundred thousand ringgit but not more than two million five hundred thousand ringgit executed by an individual shall be exempted from stamp duty.”</i></p> <p>Paragraph 2(2)</p> <p><i>“The stamp duty exemption referred to in subparagraph (1) shall only be for the stamp duty that should be imposed for the first one million ringgit or less from the value of the residential property and stamp duty of three ringgit shall be imposed for every one hundred ringgit of the balance amount of the value of the residential property which is more than one million ringgit.”</i></p> <p>Paragraph 2(3)</p> <p><i>“The stamp duty exemption under subparagraph (1) shall only apply if—</i></p> <ul style="list-style-type: none"> <i>(a) the sale and purchase agreement for the purchase of the residential property is between an individual and a property developer;</i> <i>(b) the purchase price in the sale and purchase agreement referred to in subparagraph (a) is a price after a discount of at least ten per cent from the original price offered by the property developer except for a residential property which is subject to controlled pricing; and</i> <i>(c) the sale and purchase agreement for the purchase of the residential property is executed on or after 1 June 2020 but not later than 31 May 2021 and is stamped at any branch of the Inland Revenue Board Malaysia.”</i> <p>Paragraph 2(6)(b)</p> <p><i>“”individual” means a purchaser of a residential property who is a Malaysian citizen or co-purchasers of a residential property who are Malaysian citizens; and”</i></p>

Members should refer to the above Orders for the full details. The Orders may be read in full at the official website of the [Attorney-General’s Chambers](#).

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