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TO ALL MEMBERS

TECHNICAL

Direct Taxation

1. Stamp Duty (Exemption) (No.3) Order 2011 [P.U. (A) 441/2011]

In Paragraphs 76, 77 and 78 of the 2012 Budget Speech and Appendix, 1 it was proposed that a full stamp duty exemption be given on loan agreements for the purchase of residential properties priced up to RM300,000 under the PR1MA Scheme.

Further to this, any residential property purchased from PR1MA Corporation Malaysia is exempted from stamp duty, provided that the Sale and Purchase Agreement is executed on or after 1 January 2012 but not later than 31 December 2016, and the application for exemption is only made once.

The Order exempts the purchaser, named in the Sale and Purchase Agreement, from stamp duty in respect of any loan agreement executed between the purchase and the following:-

- a) a bank, financial institution, insurance company or co-operative society;
- b) an employer under an employee housing loan scheme; or
- c) PR1MA Corporation Malaysia,

Purchaser means:

- i) an individual Malaysian citizen
- ii) a person eligible to purchase residential property under the *Perumahan Rakyat 1Malaysia* (i.e. middle income group)

Residential property means:-

- i) a house
- ii) a condominium unit
- iii) an apartment
- iv) a flat

built as a dwelling house costing not more than RM300,000 under the *Perumahan Rakyat 1Malaysia* programme.

2. **Stamp Duty (Exemption) (No.4) Order 2011 [P.U. (A) 446/2011]**

Appendix 16 of the 2012 Budget proposed that a 100% stamp duty exemption be given on loan agreements of up to RM50,000 under the Micro Financing Scheme. Such exemption is given on loans executed between micro enterprises and SMEs with any banking and financial institution.

Further to this, the Order exempts from stamp duty, the instrument of agreement for a loan or financing, pursuant to a micro financing scheme approved by the National Small and Medium Enterprise Development Council, for an amount not exceeding RM50,000 between a borrower and a participating bank or financial institution. The exemption applies to instruments or agreements for loans executed on or after 1 January 2012.

3. **Stamp Duty (Exemption) (No.5) Order 2011 [P.U. (A) 447/2011]**

In the second measure under Paragraph 47 of the 2012 Budget Speech, and Appendix 16, it was proposed that a 100% stamp duty exemption be given on loan agreements of up to RM50,000 undertaken from the Professional Services Fund. Such exemption is given on loans executed between any professional (such as accountant, doctor and lawyer) with Bank Simpanan Nasional.

Further to this, the Order exempts from stamp duty, all loan or financing instruments, in relation to the Professional Service Fund, for an amount not exceeding RM50,000, between a borrower and Bank Simpanan Nasional, executed on or after 1 January 2012

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