INLAND REVENUE BOARD OF MALAYSIA

RESCUING CONTRACTOR AND DEVELOPER

PUBLIC RULING NO. 12/2013

Translation from the original Bahasa Malaysia text

DATE OF ISSUE: 17 DECEMBER 2013

Published by
Inland Revenue Board Of Malaysia

Published on 17 December 2013

First edition on 17 December 2013

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DIRECTOR GENERAL'S PUBLIC RULING

A Public Ruling as provided for under section 138A of the Income Tax Act 1967 is issued for the purpose of providing guidance for the public and officers of the Inland Revenue Board of Malaysia. It sets out the interpretation of the Director General of Inland Revenue in respect of the particular tax law, and the policy and procedure that are to be applied.

A Public Ruling may be withdrawn, either wholly or in part, by notice of withdrawal or by publication of a new ruling which is inconsistent with it.

Director General Of Inland Revenue,
Inland Revenue Board Of Malaysia.

1. Objective

This Public Ruling explains the tax treatment of a rescuing contractor or developer appointed to revive an abandoned project certified by the Minister of Urban Wellbeing, Housing and Local Government (MUHLG).

2. Related Provisions

Provisions related to this Public Ruling are –

2.1 Section 33, subsections 43(2) and 44(2) and Schedule 3 of the Income Tax Act (ITA) 1967,

2.2 Income Tax (Deduction For Expenses In Relation To Interest And Incidental Cost In Acquiring Loan For Abandoned Projects) Rules 2013 [P.U. (A) 89/2013], and

2.3 Stamp Duty (Exemption) (No. 6) Order 2013 [P.U. (A) 92/2013].

3. Interpretation

The words used in this Public Ruling have the following meaning.

3.1 "Loan" means a loan granted by a bank or financial institution to finance an abandoned project.

3.2 "Bank or financial institution" means –

(a) a bank or finance company licensed or deemed to be licensed under the Banking And Finance Institutions Act 1989 [Act 372], (1)

(b) a bank licensed under the Islamic Banking Act 1983 [Act 276], (2)

(c) a development financial institution prescribed under the Development Financial Institutions Act 2002 [Act 618],

(d) an insurance business licensed under Insurance Act 1996 [Act 553], or (3)

(e) a takaful operator licensed under the Takaful Act 1984 [Act 312]. (4)

(1) & (3) The Banking And Finance Institutions Act 1989 and the Insurance Act 1996 were repealed by the Financial Services Act 2013 [Act 758] which came into force on 30.6.2013.

(2) & (4) The Islamic Banking Act 1983 and the Takaful Act 1984 were repealed by the Islamic Financial Services Act 2013 [Act 759] which came into force on 30.6.2013.

4. Tax Incentives

To encourage the involvement of private sector in reviving abandoned projects, tax incentives and special tax treatment are granted to a rescuing contractor or developer appointed to carry out rehabilitation works under the Rules as mentioned in paragraph 2.2 above. The Rules have effect from the year of assessment (YA) 2013 and subsequent years of assessment.

4.1 Abandoned project

For the application of the Rules, an “abandoned project” means a project which is certified by the MUHLG as an abandoned project pursuant to paragraph 11(1)(ca) of the Housing Development (Control And Licensing) Act 1966 [Act 118].

4.2 Qualifying person

A qualifying person refers to a rescuing contractor or developer appointed or approved by the MUHLG or liquidator to carry out rehabilitation works for an abandoned project.

4.3 Liquidator

A liquidator means any liquidator appointed by a court for the purpose of an abandoned project.

5. Special Deduction For A Qualifying Person

5.1 Deduction for outgoings and expenses

The Rules provide that, in ascertaining the adjusted income of a qualifying person’s business for the basis period for a YA, deduction is allowed for any outgoings and expenses which are –

(a) incurred by the qualifying person during that basis period in his business, and

(b) incurred primarily or principally for the purpose of an abandoned project.

The qualifying person must be a resident in Malaysia.

5.2 Types of outgoings and expenses

The outgoings and expenses referred to in paragraph 5.1 above are –

(a) expenses incurred in the course of acquiring loan for the purpose of the abandoned project, and

(b) interest expenses incurred on the loan.

5.3 **Loan**

For the purpose of the deduction, the loan has to be –

(a) granted by a bank or financial institution to finance an abandoned project, and

(b) approved on or after 1.1.2013 but not later than 31.12.2015.

Example 1

AA Development Sdn Bhd, a company resident in Malaysia, closes its accounts on 31st March every year. It was approved by the MUHLG as the rescuing developer of a project in Angeles Garden, Kota Setar District, Kedah Darul Aman which was certified abandoned by MUHLG. The company applied for a bank loan for the purpose of rehabilitating the abandoned project. The bank loan was approved on 28.2.2013 in the basis period for YA 2013.

Since the loan was approved during the period 1.1.2013 to 31.12.2015, the company is eligible for the deduction effective from YA 2013 if it meets other conditions stated in the Rules.

Example 2

The facts are the same as in Example 1, except that the loan was approved on 12.12.2012 in the basis period for YA 2013.

Since the loan was approved before 1.1.2013, the company is not entitled to the deduction under the Rules.

5.4 **Expenses incurred in acquiring loan**

5.4.1 Where a development or construction project is not an abandoned project certified by the MUHLG, expenses incurred by the property developer or contractor in acquiring loan are not deductible as they do not meet the conditions stipulated in subsection 33(1) of the ITA 1967.

However, as a tax incentive, expenses incurred by a qualifying person in the course of acquiring loan for the purpose of rehabilitating an abandoned project certified by the MUHLG are deductible in ascertaining the adjusted income of the qualifying person from the abandoned project.

Expenses incurred in the course of acquiring loan are -

(a) legal and other professional fees for preparing the documents and negotiating the loan,

(b) commissions, brokerage or introduction fees,

(c) inspection or search fees, appraisal or valuer's fees, land registry fees and hypothecation or collateral fees in connection with the security for the loan,

(d) arrangement fees,

(e) guarantee fees,

(f) processing fees, and

(g) cancellation fees.

5.4.2 **Amount of deduction allowed**

The amount of deduction allowed with regard to the expenses incurred in the course of acquiring loan for the purpose of rehabilitating an abandoned project is twice the amount of expenses allowed.

Example 3

The facts are the same as in Example 1. Expenses incurred in acquiring loan for the abandoned project are as follows:

Expenses Incurred In Acquiring Loan	Year Ended 31.12.2013
Legal & other professional fees	25,000
Guarantee fee	5,000
Processing fee	200
Total (RM)	30,200

The amount of deduction allowed is RM60,400 (RM30,200 x 2).

5.5 **Loan interest**

Apart from expenses incurred in obtaining loan, the Rules also provide deduction on loan interest incurred primarily or principally for the purpose of an abandoned project as mentioned in paragraph 5.2 (b) above.

5.5.1 **Amount of deduction**

The amount of deduction for loan interest is in addition to the deduction allowable under section 33 of the ITA 1967.

5.5.2 **Deduction for three (3) consecutive years of assessment**

Such deduction applies only to loan interest incurred by a qualifying person for a period of three (3) consecutive years of assessment from the YA in which the loan is approved.

Example 4

The facts are the same as in Example 3. Interest expenses incurred by the company for the abandoned project are as follows:

Expenses Incurred	Year Ended 31 December			
	2013	2014	2015	2016
Loan interest (RM)	1,000	20,000	20,000	5,000

Amount of deduction allowed is as follows:

Expenses Incurred	YA				Accumulated Total	Deduction Allowed
	2013	2014	2015	2016		
Loan interest (RM)	1,000	20,000	20,000	-	41,000	82,000 (5)
	-	-	-	5,000	5,000	5,000 (6)

(5) Since the loan was approved in YA 2013, only interest expenses incurred in YA 2013, 2014 and 2015 shall qualify for double deduction.

(6) Interest expense incurred in YA 2016 shall qualify for single deduction only.

5.6 **Claims for deduction**

The deduction shall be claimed only in the basis period for a YA when the abandoned project is completed.

Example 5

The facts are the same as in Example 4. The abandoned project is completed in YA 2016.

Expenses Incurred	YA				Accumulated Total	Deduction Allowed
	2013	2014	2015	2016 Year of Completion		
Expenses related to acquistion of loan (RM)	30,200	-	-	-	30,200	60,400 [7]
Loan interest (RM)	1,000	20,000	20,000	-	41,000	82,000 [8]
	-	-	-	5,000	5,000	5,000 [9]
Total (RM)					76,200	147,400 [10]

(7) Cost of acquiring loan is twice the amount incurred and equals to RM60,400 (RM30,200 x 2). This amount is to be claimed in YA 2016 when the abandoned project is completed.

(8) Loan interest incurred from YA 2013 to YA 2015 amounting to RM41,000 is capitalised in the development expenditure account. In YA 2016, an additional amount of RM41,000 is allowed. The total amount is RM82,000 (RM41,000 + RM41,000).

(9) Loan interest of RM5,000 incurred in YA 2016 is given single deduction only.

(10) Total deduction of RM147,400 (RM60,400+RM82,000 + RM5,000) is to be claimed in YA 2016.

6. Abandoned Project As A Separate And Distinct Source

6.1 Separate and distinct source

A qualifying person may carry out other projects besides an abandoned project. In ascertaining the gross income of a qualifying person from an abandoned project, each of the abandoned project and any other project shall be treated as a separate and distinct source of income.

6.2 Separate account

A qualfifying person has to maintain a separate account for an abandoned project in respect of its income, expenses, assets, etc.

If any asset is used for an abandoned project and other projects, the apportionment of capital allowances among the projects shall be based on a fair and reasonable proportion in relation to the use of the asset in each project.

7. Date Of Commencement Of An Abandoned Project

The date of commencement of an abandoned project shall be the date of award of the abandoned project by the MUHLG or a liquidator.

Example 6

BB Construction Sdn Bhd (BB), a company resident in Malaysia, is approved by MUHLG as the rescue contractor to carry out the rehabilitation works of an abandoned project in Sungai Terap, Kinta District, Perak Darul Ridzuan for a topping-up amount of RM10,000,000. The letter of award was issued by MUHLG on 26.7.2013 with stipulated terms and conditions. BB is required to take possession of the site on 1.8.2013 and complete the work by 31.12.2014. The formal appointment agreement between MUHLG and BB was only signed on 1.10.2013. BB carries out the abandoned project as a new business source. Its accounts are made up to 31st December each year.

For income tax purposes, the abandoned project is deemed to commence on 26.7.2013.

8. Date of Completion Of An Abandoned Project

8.1 Date of Completion

Pursuant to the Rules, an abandoned project shall be deemed to have been completed on a date on which –

(a) the Certificate of Practical Completion (CPC),

(b) the Certificate of Completion and Compliance (CCC), or

(c) any other certification which has a similar effect

is issued to the qualifying person by an authorized person or body and surrendered by the qualifying person to the MUHLG or a liquidator.

In the case of late issuance of the certificate mentioned above, the date of completion may be an earlier date as stated in the certificate.

Example 7

DD Construction Sdn Bhd (DD) is a company resident in Malaysia and closes its accounts on 31st December every year. It was appointed by the liquidator of a development company (in liquidation) to revive an abandoned project certified by the MUHLG. On 1.2.2013, a letter of appointment was issued by the liquidator to DD. DD completes the rehabilitation works with the CCC issued on 1.7.2015. A copy of the CCC is forwarded to the MUHLG on 3.7.2015.

The abandoned project is deemed to be completed on 1.7.2015, in the basis period for YA 2015.

Example 8

The facts are the same as in Example 6. Rehabilitation works on the abandoned project is subsequently completed by BB with CCC issued on 28.12.2014, a copy of which is forwarded to the MUHLG on 29.12.2014. On 10.1.2015, the MUHLG issues a certificate called "Sijil Kelayakan Insentif Bajet 2013 Bagi Pemulihan Projek Perumahan Swasta Terbengkalai" to BB in respect of the abandoned project.

For income tax purposes, the abandoned project is deemed to be completed on 28.12.2014 (date of issuance of CCC).

8.2 Final account

When the abandoned project is completed, the qualifying person shall ascertain the actual profit or loss derived from the abandoned project by preparing the final account.

Example 9

The facts are the same as in Example 8.

BB has to prepare the final account for the year ended 31.12.2014 for YA 2014 in respect of the abandoned project.

9. Gross Income Of An Abandoned Project

9.1 Determination of gross income

The gross income of a qualifying person from an abandoned project shall be the total amount accrued to him by the MUHLG or the liquidator upon completion of the abandoned project. Payment would be made to him in a lump sum or by progress payments.

9.2 **Tax treatment of income**

As a tax incentive to the qualifying person, an abandoned project is not subject to the recognition of income based on percentage (%) of completion basis. Instead, gross income from an abandoned project shall be recognized based on completion basis in the basis period for a YA in which the abandoned project is deemed to be completed.

Example 10

The facts are the same as in Example 7. The final contract sum of RM50,000,000 was paid to DD by progress payments as follows:

Date of Payment	Amount (RM)
1.05.2013	5,000,000
1.11.2013	10,000,000
1.04.2014	10,000,000
1.12.2014	10,000,000
1.03.2015	10,000,000
15.7.2015	5,000,000
Total	50,000,000

Since the abandoned project is deemed to be completed on 1.7.2015, the whole contract sum of RM50,000,000 is accrued to DD on 1.7.2015 as gross income of the abandoned project and has to be recognized in the basis period for YA 2015.

Example 11

The facts are the same as in Example 8. Upon completion of the abandoned project, the final contract sum accrued to BB from the liquidator of the development company (in liquidation) is RM16,000,000 and is paid by progress payments. On 29.12.2014, BB files a claims document to the MUHLG for the agreed “topping-up amount” of RM10,000,000 which is then paid by the MUHLG on 10.1.2015 in a lump sum.

The total gross income of RM26,000,000 (RM16,000,000 + RM10,000,000) has to be recognized in the basis period for YA 2014 in which the abandoned project is deemed to be completed.

10. Development Expenditure, General And Administrative Expenses

10.1 Development Expenditure

For income tax purposes, the development expenditure (including loan interest) of an abandoned project shall be capitalized in the development expenditure account and claimed in the YA in which the abandoned project is completed.

10.2 General and administrative expenses

The general and administrative expenses (including the expenses of acquiring loan) attributable to an abandoned project shall be claimed in the basis period for a YA in which the abandoned project is completed.

11. Treatment Of Capital Allowances And Balancing Charges/Allowances

Capital allowances and balancing charges/allowances under Schedule 3 of the ITA 1967 shall apply to all assets used for an abandoned project.

11.1 Claims to be made when an abandoned project is completed

(a) Capital allowances and balancing charges/allowances shall be accumulated and claimed in the basis period for a YA in which the abandoned project is completed.

(b) Where an asset used for an abandoned project is disposed of, the balancing allowance or balancing charge shall respectively be deducted from or added to the adjusted income of the abandoned project for the basis period for a YA in which the abandoned project is completed.

Example 12

EE Property Development Sdn Bhd, a company resident in Malaysia, closes its accounts on 31st December every year. It carries out rehabilitation works on an abandoned project awarded by the MUHLG on 5.1.2013. Application for bank loan to revive the abandoned project was approved on 1.3.2013. The abandoned project is completed with CCC issued on 1.10.2014. Upon receiving a copy of the CCC, the MULHG issues a certificate “Sijil Kelayakan Insentif Bajet 2013 Bagi Pemulihan Projek Perumahan Swasta Terbengkalai” dated 13.10.2014 for the abandoned project. Details of income and expenditure as well as capital allowances for the years ended 31.12.2013 and 31.12.2014 are as follows:

Particulars	Year Ended 31 December		Accumulated Total (RM)
	2013	2014	
	Year of Commencement	Year of Completion	
	A	B	C = A + B
Gross income	-	1,500,000	
Development expenditure			
(a) Loan interest	30,000	60,000	90,000
(b) Other development costs	300,000	350,000	650,000
General & administrative expenses			
(a) Cost of acquiring loan	20,000	-	20,000
(b) Other general & administrative costs	140,000	180,000	320,000
Capital allowances	60,000	65,000	125,000

Tax Computation For YA 2014

	RM	RM
Gross income		1,500,000
Less:		
Allowable expenses		
(a) Development expenditure		
(i) Loan interest		
- amount incurred	90,000	
- additional amount allowed	90,000	
(ii) Other development costs	650,000	
(b) General & administration expenses		
(i) Cost of acquirng loan		
RM20,000 X 2	40,000	
(ii) Other general & administrative costs	320,000	1,190,000

Adjusted income	310,000
Less: Capital allowances	125,000
Statutory income	185,000

11.2 **Abandoned projects as one business source**

Where a qualifying person manages more than one abandoned projects or carries out rehabilitation works on one abandoned project after another, he is deemed to carry on the same business.

11.2.1 **Unabsorbed capital allowances are carried forward**

Any unabsorbed capital allowances of an abandoned project can be carried forward and allowed against the adjusted income of another abandoned project carried out by the qualifying person.

Example 13

FF Property Development Sdn Bhd, a company resident in Malaysia, closes its accounts on 31st December every year. In the year ended 31.12.2013, it completed an abandoned project awarded by the MUHLG (first abandoned project). On 1.10.2015, the company is awarded again by the MUHLG to carry out rehabilitation works of a second abandoned project. The first abandoned project suffered an unabsorbed capital allowances as follows:

YA 2013	**RM**
Adjusted income	300,000
Less: Capital allowances 365,000 restricted	300,000
Statutory inocme	Nil
Unabsorbed capital allowances	65,000

The unabsorbed capital allowances RM65,000 of the first abandoned project can be carried forward to be deducted against the adjusted income of the second abandoned project (as illustrated in Example 14).

11.2.2 **Temporary disuse**

After the completion of an abandoned project, if there is a period of disuse of assets before the commencement of the next abandoned project, annual allowance would be given provided during the period of disuse, the assets concerned are constantly maintained in readiness to be brought back into use for the next abandoned project.

Example 14

The facts are the same as in Example 13. Application for bank loan to rehabilitate the second abandoned project is approved on 30.12.2015. The company uses the existing assets for the second abandoned project which is then completed in the year ended 31.12.2017. Details of income and expenditure for the second abandoned project are as follows:

Particulars	Year Ended 31 December			Accumu-lated Total (RM)
	2015	2016	2017	
	Year of Commence-ment		Year of Completion	
Gross income	-	-	2,766,000	
Development expenditure				
(a) Loan interest	-	40,000	63,000	103,000
(b) Other development costs	-	300,000	450,000	750,000
General & administrative expenses				
(a) Cost of acquiring loan	20,000	-	-	20,000
(b) Other general & administrative costs	50,000	170,000	250,000	470,000

Additional information:

(a) General and administrative cost incurred in YA 2014 is RM30,000. The company has no other sources of income, other than abandoned projects.

(b) After the completion of the first abandoned project, the assets are constantly maintained before they are used in the second abandoned project. The capital allowances are as follows:

Capital Allowances	YA				Total (RM)
	2014	2015	2016	2017	
	30,000	30,000	30,000	5,000	95,000

Tax Computation For YA 2017

	RM	RM
Gross income		2,766,000
Less:		
Allowable expenses		
(a) Development expenditure		
(i) Loan interest		
- amount incurred	103,000	
- additional amount allowed	103,000	
(ii) Other development costs	750,000	
(b) General & administrative expenses		
(i) Cost of acquiring loan RM20,000 x 2	40,000	
(ii) Other general & administrative costs	470,000	1,466,000
Adjusted income		1,300,000
Less:		
Capital allowances b/f (YA 2013) (11)	65,000	
Capital allowances (12)	95,000	160,000
Statutory income		1,140,000
Less: Loss b/f (13)		(30,000)
Total income		1,110,000

(11) The unabsorbed capital allowances RM65,000 of the first abandoned project brought forward from YA 2013 are allowed to be deducted against the adjusted income of the second abandoned project in YA 2017 when the second abandoned project is completed.

(12) The amount of capital allowances allowable for deduction includes the annual allowances for YA 2014 since the assets are constantly maintained during the period of temporary disuse.

(13) Business loss brought forward RM30,000 refers to the general and administrative cost incurred in YA 2014 after the first abandoned project is completed.

11.2.3 Unabsorbed capital allowances are disregarded

When an abandoned project is completed, any unabsorbed allowances are disregarded if the qualifying person does not carry out any more rehabilitation works on abandoned projects.

Example 15

The facts are the same as in Example 12 except that the details of income and expenditure as well as capital allowances for the abandoned project are as follows:

Particulars	Year Ended 31 December		Accumulated Total (RM)
	2013	2014	
	Year of Commence-ment	Year of Completion	
	A	B	C = A + B
Gross income	-	1,500,000	
Development expenditure			
(a) Loan interest	40,000	60,000	100,000
(b) Other development costs	400,000	500,000	900,000
General & administrative expenses			
(a) Cost of acquiring loan	20,000	-	20,000
(b) Other general & administrative costs	200,000	250,000	450,000
Capital allowances	60,000	65,000	125,000

Additional information:

After the completion of abandoned project in YA 2014, the company does not carry out any works on other abandoned project which has the same meaning as in paragraph 4.1 above.

Tax Computation For YA 2014

	RM	RM
Gross Income		1,500,000
Less:		
Allowable expenses		
(a) Development expenditure		
(i) Loan interest		
- amount incurred	100,000	
- additional amount allowed	100,000	
(ii) Other development costs	900,000	
(b) General & administration expenses		
(i) Cost of acquirng loan RM20,000 X 2	40,000	
(ii) Other general & administrative costs	450,000	1,590,000
Adjusted loss		(90,000)
Statutory income		Nil
Capital allowances [14]	125,000	

(14) Since the abandoned project is completed and the company does not intend to take on other abandoned projects, the unabsorbed capital allowances RM125,000 would be disregarded. The abandoned project business has ceased.

11.3 **Assets used for other businesses**

Where an asset continues to be used in other businesses after the completion of an abandoned project, capital allowances would be given for that asset in the manner as stipulated in Schedule 3 of the ITA 1967.

12. Treatment Of Losses

The Rules stipulate that subsections 43(2) and 44(2) of the ITA 1967 shall apply in determining the total income of a qualifying person.

12.1 **Deduction of adjusted loss from abandoned projects**

Generally, an abandoned project would not suffer losses. In the event of a loss, the adjusted loss of an abandoned project in the basis period shall be utilized to set off against the aggregate income from all sources in the basis period pursuant to subsection 44(2) of the ITA 1967.

Any unabsorbed adjusted loss of an abandoned project shall be carried forward to the following YA and utilized to set off against the statutory income from all businesses in accordance with subsection 43(2) of the ITA 1967.

Example 16

JJ Construction Sdn Bhd, a qualifying person, carries out rehabilitation works for abandoned projects. It has no other sources of income. The statutory income and adjusted loss of the abandoned projects are as follows:

Abandoned Project	Year Of Completion	Statutory Income / (Adjusted Loss)	
		YA 2013	YA 2014
Project I	YA 2013	(100,000)	-
Project II	YA 2014	-	900,000

Tax Computation For YA 2013

	RM
Statutory income from Project I	Nil
Aggregate / Total / Chargeable income	Nil
Loss c/f = (RM100,000)	

Tax Computation For YA 2014

	RM
Statutory income from Project II	900,000
Less: Loss b/f	(100,000)
Aggregate / Total / Chargeable income	800,000

Example 17

KK Development Sdn Bhd, a qualifying person, carries out rehabilitation works for an abandoned project apart from his property development business. The abandoned project is deemed to be completed in YA 2014. Details of statutory income of the company are as follows:

YA	Statutory Income / (Adjusted Loss)		
	Abandoned Project (RM)	**Property Development Business (RM)**	**Rental Income (RM)**
2014	(300,000)	170,000	6,000
2015	-	344,000	8,000

Tax Computation For YA 2014

	RM	RM
Statutory income		
Property development business		170,000
Rental income – section 4(d)		6,000
Aggregate income		176,000
Less:		
Adjusted loss from abandoned project in the basis period – subsection 44(2)	(300,000)	(176,000)
Unabsorbed adjusted loss c/f = 124,000 [(15)]		
Total / Chargeable income		Nil

Tax Computation For YA 2015

	RM
Statutory income from property development business	344,000
Less: Business loss b/f - subsection 43(2)	(124,000)
	220,000
Statutory income from rental income	8,000
Aggregate / Total / Chargeable income	228,000

(15) Unabsorbed adjusted loss of RM124,000 from the abandoned project is carried forward to be deducted against the statutory income of the property development business until it is fully absorbed.

12.2 **Deduction of adjusted loss from other business sources**

Adjusted loss (other than estimated loss) from the property development or construction business of the qualifying person are also deductible against the income from an abandoned project, in the manner as provided in subsections 44(2) and 43(2) of the ITA 1967.

13. Non-Application

The following regulations shall not apply to an abandoned project.

13.1 Income Tax (Construction Contracts) Regulations 2007 [P.U. (A) 276 / 2007], and

13.2 Income Tax (Property Development) Regulations 2007 [P.U. (A) 277 / 2007].

14. Stamp Duty Exemption

14.1 Stamp duty exemption is granted on the instruments executed by a rescuing contractor or developer appointed or approved by the MUHLG to carry out rehabilitation works for an abandoned project. The instruments refer to –

(a) any loan instrument or loan agreement approved by the bank or financial institution to finance the abandoned project, and

(b) any instrument of transfer for the purpose of transfering revived residential property in relation to the abandoned project.

14.2 The above stamp duty exemption only applies to the instruments executed on or after 1.1.2013 but not later than 31.12.2015 as stipulated under the Stamp Duty (Exemption) (No. 6) Order 2013 [P.U. (A) 92/2013].

14.3 A revived residential property (as mentioned in paragraph 14.1(b) above) means a house, condominium unit, an apartment or a flat of the abandoned project revived by the rescuing contractor or developer and built as a dwelling house. Instrument of transfer for transfering non-residential property of an abandoned project therefore does not qualify for the above stamp duty exemption.

Director General Of Inland Revenue,
Inland Revenue Board Of Malaysia.