
TECHNICAL

STAMP DUTY (REMISSION) ORDERS ON INSTRUMENTS FOR PURCHASE OF RESIDENTIAL PROPERTY

Background

Budget 2015 contained a proposal to extend the timeline for stamp duty exemption (50% of the amount charged) relating to the purchase of one residential property by an individual (which was due to expire on 31 December 2014) to 31 December 2016. The value of the property is also increased to RM500,000.

The following Stamp Duty (Remission) Orders have been gazetted recently:

Citation	P.U.(A)	Date of Gazette	Effective from
Stamp Duty (Remission) Order 2014	360/2014	31 December 2014	1 January 2015
Stamp Duty (Remission) (No. 2) Order 2014	361/2014	31 December 2014	1 January 2015

The following are some of the main provisions of the Orders:

1. [Stamp Duty \(Remission\) Order 2014 \[P.U.\(A\)360/2014\]](#)

Remission

Sub-paragraph 2(1) provides for remission of a sum of 50% from the stamp duty chargeable on any loan agreement to finance the purchase of one unit of *residential property** (market value of which is not more than RM500,000) executed between an *individual** who is a Malaysian citizen named in the Sale and Purchase Agreement (S & P Agreement) and –

- A licensed bank under the Financial Services Act 2013 (FSA);
- A licensed Islamic bank under the Islamic Financial Services Act 2013 (IFSA)
- A development financial institution prescribed under the Development Financial Institutions Act 2002;
- A licensed insurer under the FSA;
- A licensed takaful operator under the IFSA;
- A co-operative society registered under the Co-operative Societies Act 1993;
- Any employer who provides an employee housing loan scheme;
- The Malaysian Building Society Berhad incorporated under the Companies Act 1965 (CA);
- The Borneo Housing Mortgage Finance Berhad incorporated under the CA .

* These terms are defined in sub-paragraph 2(5).

Conditions

Remission of stamp duty is subject to the following conditions:

- The S & P Agreement must be executed between 1 January 2015 and 31 December 2016.
- The individual has never owned any residential property including a residential property which is obtained by way of inheritance or gift, which is held either individually or jointly.

2. [Stamp Duty \(Remission\) \(No. 2\) Order 2014 \[P.U.\(A\)361/2014\]](#)

Remission

Sub-paragraph 2(1) provides for remission of a sum of 50% of stamp duty chargeable on any instrument of transfer for the purchase of one unit of *residential property** (market value of which is not more than RM500,000) by an *individual** who is a Malaysian citizen, provided that the same conditions as set out above (conditions #1 and #2 for the first Remission Order) are met.

* These terms are given definitions which are similar to the definitions found in the first Order.

The application for the remission of stamp duty under both the above-mentioned Stamp Duty (Remission) Orders shall be accompanied by a statutory declaration by the individual confirming that the individual has never owned any residential property including a residential property which is obtained by way of inheritance or gift, which is held either individually or jointly.

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

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