

STAMP DUTY

1. Merger of Stock Broking Companies

- a. All instruments executed on or after 1st January, 2001 pursuant to a scheme of merger or acquisition by a member company resulting in a universal broker company are exempted from stamp duty under the *Stamp Duty (Exemption)(No.34) Order 2002* provided: -
- i) the scheme of merger or acquisition has been approved by the Securities Commission; and
 - ii) the instrument of agreement for merger or acquisition has been executed during the period between 1st January, 2001 until 31st December, 2002;

For the purpose of this Order: -

“an instrument of agreement for merger or acquisition” means a merger, acquisition or sale and purchase agreement pursuant to an approved scheme of merger or acquisition;

“a member company” has the meaning assigned to it under Subsection 2 (1) of the *Securities Industry Act 1983 [Act 280]*; and

“an universal broker company” means a member company that has been granted universal broker status by the Securities Commission.

This exemption takes effect from 1st January, 2001.

- b. All instruments executed during the period between 30th October, 1999 until 31st December 2000 pursuant to a scheme of merger of stockbroking companies approved by the Securities Commission are exempted from stamp duty under the *Stamp Duty (Exemption)(No.35) Order 2002*.

This exemption revokes the *Stamp Duty (Exemption)(No.5) Order 2000* and is deemed to have come into force on 30th October, 1999.

2. Merger of Insurance Companies

The *Stamp Duty (Exemption)(No.18) Order 2002* provides for exemption of stamp duty for all instruments executed pursuant to a scheme of merger of insurance companies completed between 1st April, 1999 until 30th June, 2002 and approved by Bank Negara Malaysia.

The completion of the merger scheme is on the date Bank Negara Malaysia receives the sale and purchase agreement or the conditional sale and purchase agreement signed by the relevant insurance company for the purpose of the merger.

The exemption is effective from 1st April, 1999.

3. Purchase of Property from Developers

- a. The *Stamp Duty (Exemption)(No.22) Order 2002* provides for exemption of stamp duty on specified instruments for the purchase of property (completed units) from a registered developer during the period between 28th March, 2001 to 31st December, 2001. The developer must be registered with the Real Estate and Housing Developers' Association of Malaysia, Sabah Housing Developers' Association (1992) or Sarawak Housing Developers' Association.

'Property' here refers to :-

- (i) residential houses, condominium units, apartments and flats;
- (ii) office lots including shop houses and shop offices;
- (iii) shop lots in shopping complexes; and
- (iv) industrial buildings and factories.

This exemption revokes the *Stamp Duty (Exemption)(No.6) Order 2001* and is deemed to have come into operation on 28th March, 2001.

- b. The *Stamp Duty (Exemption)(No.23) Order 2002* provides for the exemption of stamp duty on specified instruments for the purchase of residential property executed between 1st January, 2002 to 30th June, 2002 from a developer who is registered with the Real Estate and Housing Developers' Association of Malaysia, Sabah Housing Developers' Association (1992) or Sarawak Housing Developers' Association.

The exemption takes effect from 1st January, 2002.

- c. Under the *Stamp Duty (Exemption)(No.24) Order 2002* instruments described below for the purchase of residential property from a statutory body established under the State or Federal Law between 1st January, 2002 to 30th June, 2002 are exempted from stamp duty :-
- (i) All instruments of Sale and Purchase Agreement executed between the purchaser and the statutory body or between the purchaser and the statutory body and the developer on or after 1st January, 2002 but not later than 30th June, 2002.

- (ii) All instruments effecting the transfer of title of the property from the statutory body to the purchaser named in the Sale and Purchase Agreement in paragraph (i).
- (iii) All instruments in the nature of security executed between the purchaser named in the Sale and Purchase Agreement in paragraph (i) and a bank or financial institution or employer under an employee housing loan scheme for money advances to finance the purchase of the property.

The exemption came into operation on 1st January, 2002.

4. Corporate Debt Restructuring Scheme

Instruments executed pursuant to a corporate debt restructuring scheme completed between 1st January, 2002 and 30th June, 2002 under the supervision of the Corporate Debt Restructuring Committee, Bank Negara Malaysia, or under Pengurusan Danaharta Nasional Berhad are exempted from stamp duty under the *Stamp Duty (Exemption)(No.8) Order 2002*.

5. Bai Inah Sale / Purchase Agreement

The Stamp Duty (Exemption)(No.38) Order 2002 provides for the exemption of stamp duty on all instruments of the Bai Inah Sale Agreement or the Bai Inah Purchase Agreement executed between a customer and a financial institution made under the principles of the Syariah law for the purpose of the issuance of credit cards.

For the purpose of this Order :-

“a financial institution” means any financial institution licensed under :-

- (i) the Banking and Financial Institutions Act, 1989;
- (ii) the Islamic Banking Act 1983;
- (iii) development financial institutions supervised under Section 2 of the Development Financial Act 2002; or
- (iv) any institution approved by Bank Negara Malaysia.

This exemption came into operation on 23rd April, 2002.