



# TaXavvy

14 June 2023 | Issue 12-2023

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# Stamp duty exemption for first time home buyers

The following gazette orders have been issued:

- Stamp Duty (Exemption) Order 2023
- Stamp Duty (Exemption) (No. 2) Order 2023
- Stamp Duty (Remission) Order 2023
- Stamp Duty (Remission) (No. 2) Order 2023

These gazette orders provide stamp duty exemption or remission of stamp duty for first-time buyers of residential properties as announced in the retabled Budget 2023. The following are the salient points of the gazette orders:

<i>Gazette order</i>	<i>Stamp Duty (Exemption) Order 2023</i>	<i>Stamp Duty (Exemption) (No. 2) Order 2023</i>	<i>Stamp Duty (Remission) Order 2023</i>	<i>Stamp Duty (Remission) (No. 2) Order 2023</i>
<i>Instrument exempted from stamp duty</i>	Loan agreement between an individual and a licensed financial institution, licensed co-operative society or employer providing housing loan schemes	Instrument of transfer between an individual and an approved property developer	Loan agreement between an individual and a licensed financial institution, licensed co-operative society and employer providing housing loan schemes	Instrument of transfer between an individual and an approved property developer
<i>Rate of exemption / remission</i>	Full exemption		Remission of 75%	
<i>Type of property</i>	Residential property purchased through the Malaysian Home Ownership Initiative (i-Miliki) under the Home Ownership Programme 2022/2023			
<i>Individual</i>	A purchaser or co-purchasers who are Malaysian citizens			





<i>Gazette order</i>	<i>Stamp Duty (Exemption) Order 2023</i>	<i>Stamp Duty (Exemption) (No. 2) Order 2023</i>	<i>Stamp Duty (Remission) Order 2023</i>	<i>Stamp Duty (Remission) (No. 2) Order 2023</i>
<i>Value of property</i>	Not more than RM500,000		More than RM500,000 but not more than RM1 million	
<i>Date of purchase</i>	Sale and Purchase Agreement executed between the individual and a property developer from <b>1 June 2022 to 31 December 2023</b> and is duly stamped by 31 January 2024			
<i>Discount requirement</i>	A minimum of 10% discount from the original price offered must be given (except for properties which are subject to controlled pricing)			
<i>Statutory declaration requirement</i>	To be accompanied with a statutory declaration from: <ul style="list-style-type: none"><li>the property developer, confirming that the 10% discount has been given, and</li><li>the individual, confirming that the individual has never owned any residential property individually or jointly.</li></ul>			



# Stamp duty exemption for transfer of properties

The Stamp Duty (Exemption) (No. 3) Order 2023 has been gazetted and provides stamp duty exemption for transfer of property operating as a voluntary disposition *inter vivos* between specified family members, as announced in the retabled Budget 2023.



The following are the salient points:

1. It is effective for instruments of transfer of immovable property executed on or after 1 April 2023 between:

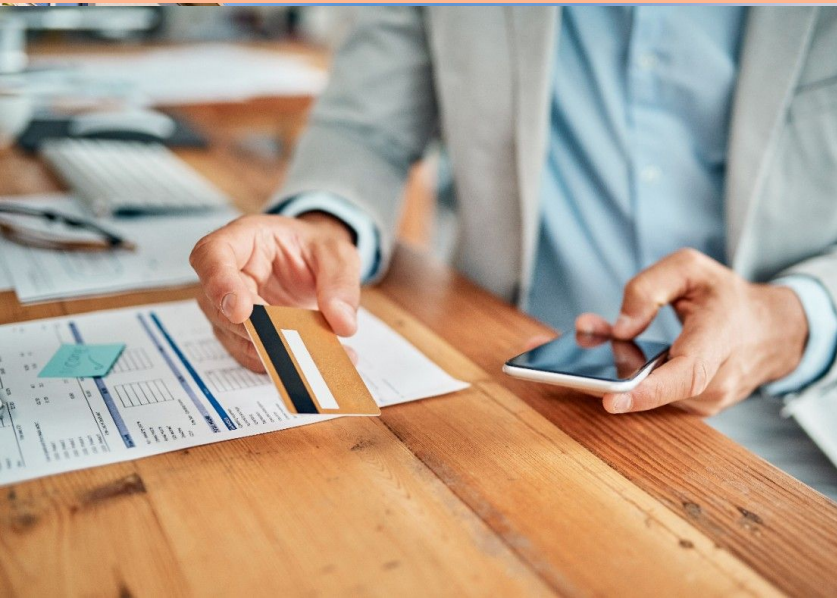
<i>Donor</i>	<i>Recipient</i>
<ul style="list-style-type: none"><li>• Mother or father; or</li><li>• Mother and father</li></ul>	Child
Child	<ul style="list-style-type: none"><li>• Mother or father; or</li><li>• Mother and father</li></ul>
<ul style="list-style-type: none"><li>• Grandfather or grandmother; or</li><li>• Grandfather and grandmother</li></ul>	Grandchild
Grandchild	<ul style="list-style-type: none"><li>• Grandfather or grandmother; or</li><li>• Grandfather and grandmother</li></ul>

2. The recipient must be a Malaysian citizen
3. The amount of stamp duty exempted is:
  - a. Full exemption: Stamp duty on the first RM1 million or less of the market value of the property, and
  - b. 50% exemption: Stamp duty on the portion of market value of the property in excess of RM1 million



# Modes of payment to Inland Revenue Board

The Inland Revenue Board (IRB) has, in their media statement dated 12 June 2023, stated that cheques and money orders/postal orders (“MOPO”) will no longer be accepted as instruments of payment for direct taxes.



The salient points of the media statement are summarised below:

## Modes of payment that are to cease

<i>Payment centres</i>	<i>Payment instrument</i>	<i>Date of cessation</i>	<i>Type of taxes</i>
Revenue Management Centres ( <i>Pusat Terimaan Bayaran</i> ) <ul style="list-style-type: none"><li>Kuala Lumpur</li><li>Kuching</li><li>Kota Kinabalu</li></ul>	Cheque / MOPO	1 August 2023	Applies for all direct taxes except: <ul style="list-style-type: none"><li>Cheques / post-dated cheques submitted to the IRB before 1 August 2023 for payment of tax arising from tax audit, investigation or civil litigation cases.</li><li>Withholding tax of 2% under section 107D of Income Tax Act 1967 for payments made by a company to an agent, dealer and distributor.</li></ul>
CIMB Bank	Cheque	1 August 2023	
Maybank / Public Bank	Cheque	1 June 2023	
Pos Malaysia	MOPO	1 August 2023	
Stamp duty counters	Cheque / MOPO	1 July 2023	

### Accepted modes of payment

After the date of cessation set out in the previous page:

- Revenue Management Centres accept payment in cash or bank draft for the following limited types of payment:
  - 3% retention sum by acquirer under section 21B of Real Property Gains Tax Act 1976
  - Income tax paid by foreign artists (public entertainers)
  - Withholding tax
  - Compound
- Payments for employees' Monthly Tax Deductions (MTD) via the IRB's MTD system can be made via cash, bank draft or online banking or transfer (e.g. FPX, TT, IBG)
- Stamp duty payment at stamp duty counters can only be made via bank drafts

Other prevailing mediums of tax payment using the Bill Number and Tax Identification Number remain unchanged, e.g:

- Online payment through the MyTax portal at <https://mytax.hasil.gov.my/>
- Online payment through internet banking
- Cash payment at Pos Malaysia and appointed banks

The IRB's media statement dated 12 June 2023 is available on IRB's website [www.hasil.gov.my](http://www.hasil.gov.my) (Media Release).



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