Tax in Motion

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Stamping and endorsement requirements for employment instruments and exempt instruments

On 7 August 2026, the Inland Revenue Board (IRB) issued a media statement on the stamp duty treatment and submission requirements for the following categories of instruments under the First Schedule of the Stamp Act 1949 (SA 1949):

- **Employment** – Stamping and endorsement are not required for employment contracts where the monthly wages do not exceed RM3,000.

  For employment contracts where the monthly wages exceed RM3,000, only the principal instrument or master contract containing the terms and conditions of employment between the employer and employee is required to be stamped and endorsed. Ancillary instruments relating to the same employment arrangement are not required to be stamped or endorsed.

- **Exempt** (item-specific exemption within First Schedule items) – no longer required to be stamped or endorsed. Common examples include agreements for or relating to the sale of any goods, wares or merchandise other than a hire-purchase agreement.

- **General exemption** (section 35 of SA 1949) – must continue to be submitted to the IRB for endorsement. These include, among others, instruments made in favour of the Government, instruments relating exclusively to immovable property situated outside Malaysia or relating exclusively to things done or to be done out of Malaysia, additional instrument strictly required for the purpose of compliance with those principles but which will not be required for any other schemes of financing.

Although an instrument may be exempt from stamp duty, endorsement is the process by which the IRB certifies its stamp duty status, including that duty has been paid or exempted. It is especially relevant where the instrument may need to be produced in court, acted upon or registered, but in many cases the administrative costs may reduce the practical benefit of the exemption. The IRB's announcement today is therefore a welcome step towards improving efficiency and compliance costs.

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