

Proposals of Budget 2019 – Property Segment (Stamp Duty & Stamp Duty Remission / Exemption)

Stamp duty rate payable on instrument of transfer of property applicable on value of property in excess of RM1,000,000.00 to be increased from 3% to 4% (effectively from 1 Jan 2019)

| Consideration or Adjudicated Value (whichever is higher) | Ad Varoem Stamp Duty Rates | |
|---|----------------------------|-----------|
| | Current | Proposed |
| For the first RM100,000.00 | 1% | 1% |
| RM100,001.00 to RM500,000.00 | 2% | 2% |
| RM500,000.00 to RM1,000,000.00 | 3% | 3% |
| RM1,000,001.00 and above | 3% | 4% |

*Tips :

An instrument is a **written document**. Therefore, any transfer or sale of property that is documented is subject to stamp duty. If a transaction can be completed without the necessity of document, therefore no stamp duty payable. Instrument of transfer (a sale or gift) of **property** including Memorandum of Transfer (MOT) - Property with Title or Deed of Assignment – Property without Title (under Master Title).

| Example 1 : Property value from RM500,001.00 to RM1,000,000.00 | | | Example 2 : Property value from RM1,000,001.00 and above | | |
|--|---------------------------|-------------------------|--|---------------------------|-------------------------|
| Property at RM800,000.00 | Ad Varoem Stamp Duty Rate | Ad Varoem Stamp Duty RM | Property at RM1,200,000.00 | Ad Varoem Stamp Duty Rate | Ad Varoem Stamp Duty RM |
| For the first RM100,000.00 | 1% | 1,000.00 | For the first RM100,000.00 | 1% | 1,000.00 |
| Next RM400,000.00 | 2% | 8,000.00 | Next RM400,000.00 | 2% | 8,000.00 |
| Next RM300,000.00 | 3% | 9,000.00 | Next RM500,000.00 | 3% | 15,000.00 |
| | | | Next RM200,000.00 | 4% | 8,000.00 |
| Total stamp duty payable | | 18,000.00 | Total stamp duty payable | | 32,000.00 |

Stamp Duty (Remission) Order 2019 or Stamp Duty Exemption has been proposed as follows:

| | Value of the residential property | Stamp Duty Remitted / Exemption | Remark |
|------|-----------------------------------|---|---|
| I. | RM300,000.00 or less | 100 % on Instrument of transfer and loan agreement | The terms and conditions to apply for the stamp duty remission as below :- 1. Purchase of only one unit of residential property the value of which is not more than RM500,000.00 by an individual who is a Malaysian citizen; 2. Sale and purchase Agreement for that purchase of the residential property is executed on or after 1 January 2019 but not later than 31 December 2020; 3. The individual has never owned any residential property including obtained by gift e.g. from parents / grandparents etc. (first time residential property buyer); and 4. The application shall be accompanied by a statutory declaration |
| II. | RM300,001.00 to RM500,000.00 | 100% limited to first RM300,000.00 and balance of the value is subjected ad valorem stamp duty on Instrument of transfer and loan agreement | |
| III. | RM300,001.00 to RM1,000,000.00 | 100% on Instrument of transfer | Direct purchase from the Developer on their housing project. The terms and conditions to apply for the stamp duty remission as below :- 1. Purchase of only one unit of residential property the value of which is not more than RM1,000,000.00 by an individual who is a Malaysian citizen; 2. Sale and purchase Agreement for that purchase of the residential property is executed on or after 1 January 2019 but not later than 30 June 2019; and 3. Item 3 and 4 of I & II |

Residential property

means a house, a condominium unit, an apartment or a flat purchased or obtained solely to be used as a dwelling house

Individual

means a purchaser or co-purchasers

Value

shall be based on the market value

Example 1 : 100% remission on Instrument of transfer

| Property at RM300,000.00 | Ad Varolem Stamp Duty Rate | Ad Varolem Stamp Duty RM |
|---|-------------------------------|--------------------------------|
| First RM100,000.00 | 1% | 1,000.00 |
| Next RM200,000.00 (RM300,000.00 minus RM100,000.00) | 2% | 4,000.00 |
| Total before remission | | 5,000.00 |
| Less : Amount Remitted 100% | | (5,000.00) |
| Total stamp duty payable | | 0.00 ===== |

Example 2 : 100% limited to first RM300,000.00 and balance of the value is subjected ad valorem stamp duty on Instrument of transfer

| Property at RM450,000.00 | Ad Varolem Stamp Duty Rate | Ad Varolem Stamp Duty RM |
|--|-------------------------------|--------------------------------|
| First RM100,000.00 | 1% | 1,000.00 |
| Next RM350,000.00 (RM450,000.00 less RM100,000.00) | 2% | 7,000.00 |
| Total before remission | | 8,000.00 |
| Less : Amount Remitted | | |
| (RM1,000.00) + (RM200,000.00 x 2%) | | (RM5,000.00) |

Total stamp duty payable **3,000.00**
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Or

(RM450,000.00 less first RM300,000.00)= RM150,000.00 x 2% =
RM3,000.00



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Writer : Jodie Tan
 E-mail : consult@jodietan.my
 Mobile No. : +6016-914 3344
 Website : <http://jtpropertyinfo.com>

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陈秀灵房地产指南针