



PWTAN & ASSOCIATES  
ADVOCATES & SOLICITORS

# HOW TO SAVE PROPERTY'S STAMP DUTY 2020



**STAMP DUTY  
EXEMPTION AND  
REMISSION  
2019/20**

**Sale & Purchase  
Agreement (SPA)  
and Loan Agreement\***

**Transfer between  
Family members\***

**National Ownership  
Campaign 2019  
(HOC)\***

**Rent-to-Own Scheme  
(RTO)\***





RESIDENTIAL PROPERTY



RM300,000.00  
(MARKET VALUE)

FULL EXEMPTION  
ON INSTRUMENT  
OF TRANSFER



1st-time owner



SPA date from  
1.1.19 to 31.12.20



Malaysian Citizen



Sub-sale & direct  
purchase from  
developer



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Source: Stamp Duty (Exemption) (No. 6) Order 2018 (P.U. (A) 377)



RESIDENTIAL PROPERTY



RM300,000.00  
(MARKET VALUE)

FULL EXEMPTION  
ON LOAN  
AGREEMENT



1st-time owner



SPA date from  
1.1.19 to 31.12.20



Malaysian Citizen



Sub-sale & direct  
purchase from  
developer



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RESIDENTIAL PROPERTY

=

RM300,001.00

-

RM500,000.00  
(MARKET VALUE)

**RM5,000.00  
REMISSION  
ON INSTRUMENT  
OF TRANSFER**



1st-time owner



SPA date from  
1.7.19 to 31.12.20



Malaysian Citizen



Sub-sale & direct  
purchase from  
developer



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RESIDENTIAL PROPERTY

=

RM300,001.00

-

RM500,000.00  
(MARKET VALUE)

**FULL EXEMPTION  
ON INSTRUMENT  
OF TRANSFER**



1st-time owner



SPA date from  
1.1.19 to 30.6.19



Malaysian Citizen



Direct purchase  
from developer



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RESIDENTIAL PROPERTY

=

RM300,001.00

-

RM500,000.00  
(MARKET VALUE)

RM1,500.00  
REMISSION  
ON LOAN  
AGREEMENT



1st-time owner



SPA date from  
1.7.19 to 31.12.20



Malaysian Citizen



Sub-sale & direct  
purchase from  
developer



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STAMP DUTY  
EXEMPTION AND  
REMISSION  
2019/20

# TRANSFER BETWEEN FAMILY MEMBER(S)



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**50% REMISSION  
ON INSTRUMENT  
OF TRANSFER  
(IOT)**



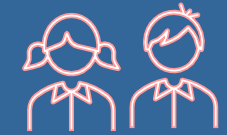
PARENT(S)



or



TRANSFER



CHILD(REN)



Between  
parent(s) &  
child(ren)



IOT date from  
1.1.20 onwards



Recipient is a  
Malaysian Citizen



Inter vivos  
transfer



Market Value  
(adjudication  
date)



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**FULL EXEMPTION  
ON INSTRUMENT  
OF TRANSFER  
(IOT)**



HUSBAND



or



TRANSFER



WIFE



Between  
husband & wife



IOT date from  
9.8.07 onwards



No requirement  
on citizenship  
of the Recipient



Inter vivos  
transfer



Market Value  
(adjudication  
date)



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# NATIONAL HOME OWNERSHIP CAMPAIGN 2019 (“HOC 2019”)

STAMP DUTY  
EXEMPTION AND  
REMISSION  
2019/20

HOC 2019 is an initiative by the Government to address the property overhang issue in the country, and to further stimulate the housing sector. As such, the Government offers stamp duties exemptions on Instrument of Transfer and Instrument on Loan Agreement. The Campaign is open to ALL Malaysian individuals.



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RM300,001.00

-

RM2,500,000.00

(after 10% discount)

RESIDENTIAL PROPERTY UNDER  
NATIONAL HOME OWNERSHIP  
CAMPAIGN 2019

UP TO RM24,000  
EXEMPTION ON  
INSTRUMENT OF  
TRANSFER



1st-time owner



SPA date from  
1.1.19 to 31.12.19



Malaysian Citizen



Direct purchase  
from developer



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 Source: Stamp Duty (Exemption)(No. 3) Order 2019 (P.U. (A) 82)

 Source: Stamp Duty (Exemption)(No. 3) Order 2019 (Amendment) Order (P.U. (A) 174)



=

RM300,001.00  
-  
RM2,500,000.00  
(after 10% discount)

RESIDENTIAL PROPERTY UNDER  
NATIONAL HOME OWNERSHIP  
CAMPAIGN 2019

**FULL EXEMPTION  
ON LOAN  
AGREEMENT**



1st-time owner



SPA date from  
1.1.19 to 31.12.19



Malaysian Citizen



Direct purchase  
from developer



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 Source: Stamp Duty (Exemption)(No. 2) Order 2019 (P.U. (A) 81)

 Source: Stamp Duty (Exemption)(No. 2) Order 2019 (Amendment) Order (P.U. (A) 173)



STAMP DUTY  
EXEMPTION AND  
REMISSION  
2019/20

# RENT-TO-OWN SCHEME ("RTO SCHEME")

Rent-to-Own Scheme is an alternative financing scheme under the Government of Malaysia which is regulated by the National Housing Department, Ministry of Housing and Local Government to assist home ownership wherein a residential property is initially purchased and rented out by a financial institution and subsequently the tenant is given an option to purchase that residential property based on Shariah compliant principles.





RM500,000.00  
(MARKET VALUE)

RESIDENTIAL PROPERTY UNDER  
RENT-TO-OWN SCHEME

**FULL EXEMPTION  
ON INSTRUMENT  
OF TRANSFER**



1<sup>st</sup>-time owner



SPA/RTO Agreement  
date from  
1.1.20 to 31.12.22



Malaysian Citizen



Transfer between  
Property  
Developer  
&  
Financial Institution



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# DEFINITION AND INTERPRETATION

## STAMP DUTY EXEMPTION AND REMISSION 2019/20

- Property Developer (HOC 2019): A property developer registered under the Real Estate and Housing Developers' Association (REHDA) Malaysia, Sabah Housing and Real Estate Developers Association (SHAREDA) or Sarawak Housing and Real Estate Developers' Association (SHEDA).
- Property Developer (RTO Scheme): A property developer who has obtained a housing developer's licence and an advertisement and sale permit under the Housing Development (Control and Licensing) Act 1966.
- Financial Institution (RTO Scheme): A financial institution regulated by Bank Negara Malaysia which has obtained the approval of Bank Negara Malaysia to offer the Rent-to-Own Scheme.







# DEFINITION AND INTERPRETATION

## STAMP DUTY EXEMPTION AND REMISSION 2019/20

- Residential Property (SPA and Loan Agreement): A house, a condominium unit, an apartment or a flat purchased or obtained solely to be used as a dwelling house.
- Residential Property (HOC 2019): A house, a condominium unit, an apartment or a flat, purchased or obtained solely to be used as a dwelling house, and includes a service apartment for which the property developer has obtained an approval for a Developers' License and Advertising and Sales Permit under the Housing Development (Control and Licensing) Act 1966 [Act 118], Housing Development (Control and Licensing) Enactment 1978, Sabah [No. 24 of 1978] or Housing Development (Control and Licensing) Ordinance 2013, Sarawak [Cap. 69].
- Residential Property (RTO Scheme): A house, a condominium unit, an apartment or a flat, purchased or obtained solely to be used as a dwelling house, and includes a service apartment for which the property developer has obtained a housing developer's licence and an advertisement and sale permit under the Housing Development (Control and Licensing) Act 1966 [Act 118].





# DEFINITION AND INTERPRETATION

## STAMP DUTY EXEMPTION AND REMISSION 2019/20

- Individual: A purchaser or co-purchaser who is a Malaysian citizen.
- First Time Owner: 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.
- Child: A legitimate child, a step child or child adopted in accordance with any law.





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