

Company  
**LOGO**

Stamp duty

Sarah/2020

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Stamp Duty

Types of stamp duty

Fixed duties

Doesn't Vary with the value of transaction

Ad valorem duties

Varies with the value of transaction

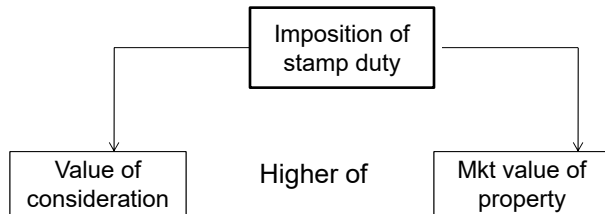
Disposal of landed property	%
1 <sup>st</sup> RM100,000	1
RM100,001 – RM500,000	2
RM500,001 – RM1 million	3
>RM1million	4

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## Comparison with market value

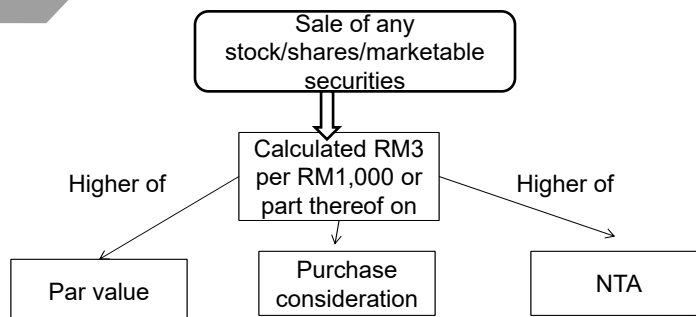


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## Comparison with market value



Sept/Dec 21 3(a)(iii)  
March/June 21 Q3©

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### Dec2021 Q3

Manjit sold 20,000 of the company shares on 1 December 2021 to his sister for RM75,000.

#### (iii) Stamp duty treatment

The transfer of shares by Manjit to his sister is subject to stamp duty based on RM3 for the value of every RM1,000 or part thereof. As the transacted price is lower than the market value, the value of the shares used for stamp duty would be based on the market value of the shares (i.e. RM80,000). The stamp duty payable is RM240 (RM3 x RM80,000/RM1,000).

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Sharon signed a sale agreement on 15 April 2021 to acquire the entire shareholding of Wilm Sdn Bhd for RM500,000.

**(c) Calculate the stamp duty payable by Sharon on the acquisition of shares in Wilm Sdn Bhd, assuming that the market value of the shares as at 15 April 2021 was:**

**(1) RM600,000; or**

**(2) RM400,000.**

#### (c) Wilm Sdn Bhd

Stamp duty is calculated at the rate of RM3 per RM1,000 or part thereof, on the transfer of shares.

- (1) If the market value of the shares is higher than the actual consideration, the stamp duty is based on the market value instead. Accordingly, if the market value was RM600,000, the stamp duty payable would be RM1,800 (RM600,000 x RM3/RM1,000).
- (2) If the market value was RM400,000 (i.e. less than the consideration), the stamp duty payable would be based on the actual purchase consideration of RM500,000, i.e. RM1,500 (RM500,000 x RM3/RM1,000).

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## Initial duty

- To avoid tax evasion, S36A(3)(b) requires a security in the form of bank guarantee ( valid for  $\geq 6$  mths) payable to collector

A - B

A	Duty chargeable on such instrument based on the value of landed property = $\frac{Y \times 100}{65}$
	-
Y	Mkt value of such property submitted by TP
B	Amt of stamp duty chargeable on such instrument based on mkt value submitted by the person

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## Incorrect estimates penalty

Actual stamp duty computed by Gvt valuer		A
- Initial duty	B	
- Bank guarantee amt	<u>x</u>	<u>xx</u>
Additional stamp duty(*)		xx
- 30% x A		(x)
Excess( payable within 30days )		<u>xx</u>
Penalty( payable within 30days )		10% on excess

(\*) will issue by Collector within 3 months after the payment of initial duty

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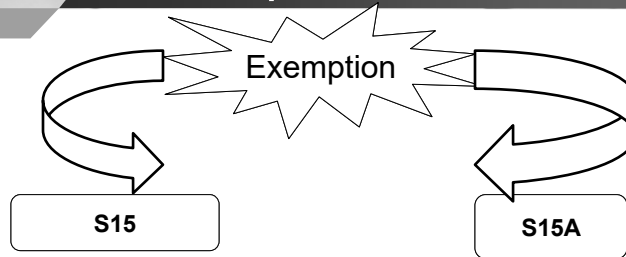
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## Exemption



- a new company has to be incorporated in Msia under CA2016 or using existing company
- Transferee co is to acquire =>90% of the issued shares/undertaking of existing co
- Consideration for the acqn of shares must be => 90% in issue of shares

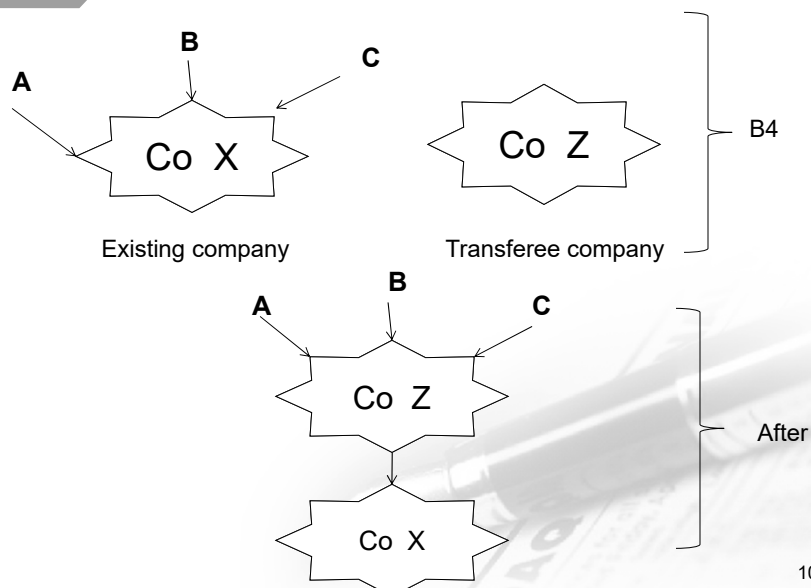
Transferor & transferee are associated to each other or via a 3<sup>rd</sup> co by =>90% in effective controlling interest

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## Section 15



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## Withdrawal of S15

- transferee co ceases to be beneficial owner of existing co  $\leq 3$  years of acqn
- The claim is based on untrue particulars ( will charge with 6% interest per annum);
- The existing company ceases to be beneficial owner of the shares in the transferee company  $\leq 3$  years otherwise than in consequence of reconstruction, amalgamation, liquidation or in compliance with Gvt policy on capital participation

Every Company ( acquirer and target company) shall notify the stamp duty officer  $\leq 30$  days from the occurrence of the above

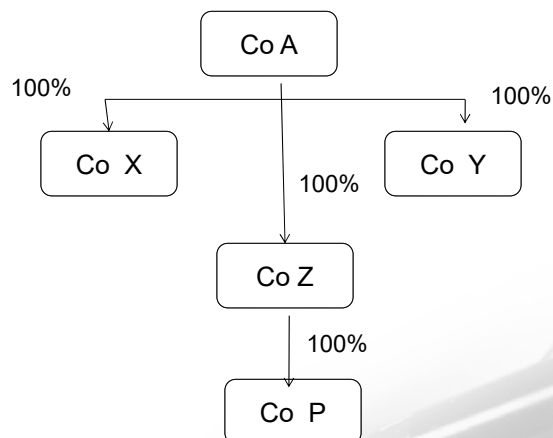
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## Section 15A

Before



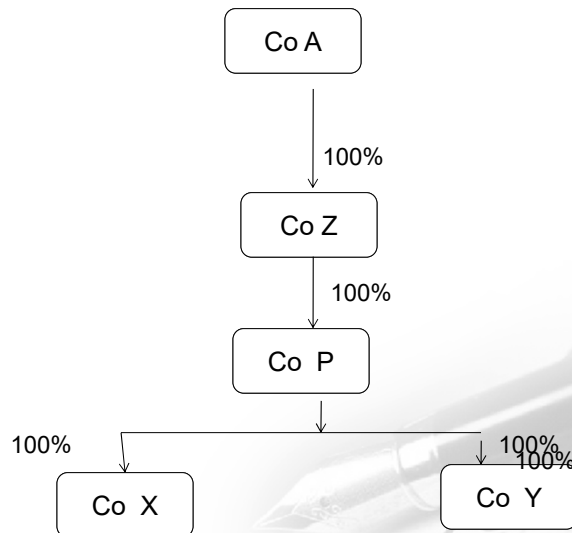
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## Section 15A

After



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## Section 15A

### Conditions:

- (a) The effect of the transfer of beneficial interest in a landed property is within associated companies of the group
- (b) the transfer of the property is to achieve greater efficiency operation
- (c) The transferee company is a Msian company, incorporated under the CA2016;
- (d) The consideration or part consideration for the transfer must not be financed by third party, which is company outside the group
- (e) The beneficial interest of the said property shall not have been previously transferred, directly or indirectly by such non associated companies
- (f) The two companies involved should not cease to be associated within 3 years from the date of transfer
- (g) The transferee company need to retain the property it has acquired within 3 years from the date of transfer

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