

May 2026

Updated Stamp Duty Audit Framework

Stamp Duty SAS

Pursuant to the implementation of stamp duty SAS in phases (see timeline below) effective **1 January 2026**, the **onus is now fully on taxpayers** to determine the applicability of stamp duty, submit accurate stamp duty returns electronically and ensure timely stamping.

Phase	Effective Date	Types of Instruments
1	From 1 January 2026	Instruments or agreements in respect of rental or lease, general stamping and securities
2	From 1 January 2027	Instruments in respect of transfer of property ownership
3	From 1 January 2028	Instruments or agreements other than the above (i.e. Phases 1 and 2)

Businesses now face significantly higher exposure to stamp duty risks even where non-compliance is unintentional. With the stamp duty audit coverage period extending to preceding 3 years (and no time limitation in cases involving fraud, evasion or negligence), businesses which have not revisited their historical and current stamp duty practices may have already been exposed.

SVDP 2026 – A Limited Window to Regularise Past Non-Compliance

For businesses with **instruments executed between 1 January 2023 to 31 December 2025** but **stamping and payment of stamp duty have not been done**, the SVDP 2026 offers critical and time-limited opportunity to regularise these instruments before the stamp duty audit intensifies.

The programme which runs from 1 January 2026 to 30 June 2026 grants **100% waiver** of late stamping penalties **provided that** stamping and full payment are completed within the programme period. This effectively allows businesses to clear up historical stamp duty exposures at no penalty cost.

With **less than 2 months remaining** before the SVDP 2026 ends, businesses which delay in action risk losing this concession entirely. Once the SVDP window closes, any unstamped or under-stamped instruments identified during a stamp duty audit will be subject to penalties and enforcement actions, in addition to the stamp duty liabilities.

Stamp Duty Audit

When a taxpayer is selected for stamp duty audit, it does not mean that the taxpayer has committed an offence. It is therefore imperative that taxpayers understand the stamp duty audit procedures, their rights and responsibilities to ensure that the audit process can be conducted smoothly while minimising operational disruptions.



We are pleased to share the key highlights from the updated framework for your attention.

The updated Stamp Duty Audit Framework (only available in national language) can be downloaded from the IRBM's website.




<https://www.hasil.gov.my/media/3vufwsl0/rangka-kerja-audit-duti-setem.pdf>

(A) Key Highlights of Updated Stamp Duty Audit Framework


Areas	Key Highlights
<p>(1) Method of Audit</p> 	<ul style="list-style-type: none">▪ 2 methods –<ul style="list-style-type: none">▪ General review (desk-based audit) – Typically, this will be carried out at IRBM's offices. Taxpayers may be asked to present at IRBM's offices for interview if more details are needed.▪ Comprehensive review (on-site visit and inspection by IRBM) – Can be carried out at taxpayer's premises, IRBM's offices or other premises / locations agreed between taxpayer and IRBM.▪ Taxpayers will be issued letters (i.e. Letter of Notification of Audit Action or Letter of Audit Visit) and are required to respond to the letters within 14 days from the date of such letters.
<p>(2) Audit Coverage Period</p> 	<ul style="list-style-type: none">▪ 4 years – current year and 3 preceding years.▪ <i>Illustration – In the case of year 2026, stamp duty audit may cover year 2026 and the 3 preceding years (e.g. years 2023 to 2025).</i>▪ No time limitation in cases involving fraud, evasion or negligence.

(A) Key Highlights of Updated Stamp Duty Audit Framework (Cont'd)

Areas	Key Highlights
(3) Case Selection	Based on risk assessment criteria and various sources of information (e.g. third party information).
(4) Duration of Audit Visit	<ul style="list-style-type: none"> Only applicable for comprehensive review. 1 to 4 days (May be extended depending on factors such as volume and complexity of the instruments, type of records or level of co-operation given by the taxpayers).
(5) Review of Records	All records pertaining to the executed instruments.
	<ul style="list-style-type: none"> Letter of Audit Findings will be issued. Taxpayers who are dissatisfied with the audit findings may discuss the findings with IRBM within 14 days from the date of the Audit Findings Letter. Once taxpayers are agreeable with the audit findings, Notice of Assessment / Notice of Amended Assessment will be issued, together with a Letter of Audit Completion. If there is no objection within 14 days from the date of Audit Findings Letter, the taxpayer will be deemed to have agreed with the audit findings.
(7) Completion of Audit	<ul style="list-style-type: none"> General review audit case must be completed within 7 working days from the date of Letter of Notification and Request for Additional Documents. Comprehensive review audit case must be completed within 60 days from the date of Letter of Audit Visit.



(A) Key Highlights of Updated Stamp Duty Audit Framework (Cont'd)

Areas	Key Highlights
<p>(8) Voluntary Disclosure</p> <p><i>[Not related to SVDP 2026]</i></p>	<ul style="list-style-type: none"> ▪ Taxpayers may opt for voluntary disclosure (in writing) for documents which are late for stamping (exceeded 3 months from stamping due date) at any time prior to commencement of the stamp duty audit. ▪ Only available to taxpayers who have submitted instruments for stamping via e-Duti Setem portal.
<p>(9) Payment Procedure</p>	<ul style="list-style-type: none"> ▪ Any additional duty payable and penalty arising from the stamp duty audit must be settled in full (no instalment payment will be allowed) and online via the designated platform.
<p>(10) Appeal</p> 	<ul style="list-style-type: none"> ▪ Taxpayers may submit a Notice of Objection within 30 days after the date of Notice of Assessment or Notice of Additional Assessment. ▪ If taxpayer is dissatisfied with the outcome of the review of Notice of Objection, an appeal to the High Court may be made within 21 days after the taxpayer is notified of that decision.
<p>(11) Penalty Provisions</p>	<ul style="list-style-type: none"> ▪ See Section (B)



(B) Penalty Provisions

Sections under SA 1949	Offence	Penalties						
47A	Late stamping	<table border="1"> <thead> <tr> <th>Stamping of Instruments</th> <th>Penalties</th> </tr> </thead> <tbody> <tr> <td>Within three (3) months after time of stamping</td> <td>RM50 or 10% of deficient duty (whichever is higher)</td> </tr> <tr> <td>Any other case</td> <td>RM100 or 20% of deficient duty (whichever is higher)</td> </tr> </tbody> </table>	Stamping of Instruments	Penalties	Within three (3) months after time of stamping	RM50 or 10% of deficient duty (whichever is higher)	Any other case	RM100 or 20% of deficient duty (whichever is higher)
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61	Failure to set forth all facts and circumstances pertaining to an instrument truly and fully	Not less than RM2,500 and not exceeding RM50,000						
63	Executing or signing instruments / documents which are not duly stamped	Not less than RM1,000 and not exceeding RM10,000						
72A	Misuse of stamp certificates e.g. selling, counterfeiting, fraudulently attaching / detaching stamp certificates.	Not less than RM2,500 and not exceeding RM50,000						
72B	Failure to keep records	Not exceeding RM10,000						





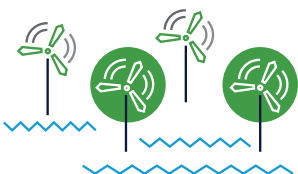
(B) Penalty Provisions (Cont'd)

Sections under SA 1949	Offence	Penalties
72C	Failure to furnish return with the instrument which is executed and chargeable with duty	<ul style="list-style-type: none"> On conviction, not exceeding RM10,000. In the event of no prosecution, not less than RM200 and not exceeding RM2,000.
72D	Incorrect return	<ul style="list-style-type: none"> On conviction, not less than RM1,000 and not exceeding RM10,000 and a special penalty equals to the amount of duty undercharged. In the event of no prosecution, penalty equals to the amount of duty undercharged.
74	Fraud in relation to stamp duty	Not less than RM1,000 and not exceeding RM20,000
74B	Leaving Malaysia without payment of duty	Not exceeding RM5,000



(C) What Businesses Should Do?

Immediate Actions	Practical Considerations (Not Exhaustive)
(1) Undertake a comprehensive stamp duty compliance review / health check	<ul style="list-style-type: none"> Review whether a centralised contract register is in place to keep track of all business agreements / contracts (including instruments executed by different business units or overseas counterparts). Identify and assess the instruments which are subject to stamp duty. Evaluate whether stamping has been carried out properly and within statutory timeline.
(2) Assess the applicability of SVDP 2026	<ul style="list-style-type: none"> Identify any unstamped / under-stamped instruments executed between 1 January 2023 and 31 December 2025 Quantify potential stamp duty and penalty exposure Consider whether the SVDP remains a viable avenue to regularise affected instruments without penalties.
(3) Embed stamp duty requirements and obligations into business process	<ul style="list-style-type: none"> Establish or enhance workflows / SOPs to ensure all business agreements / contracts were properly stamped (where applicable) within the stipulated due dates. Define stamp duty ownership and accountability clearly, whether within legal, finance, operation or tax team. Ensure stamp duty considerations are integrated into contract approval and execution milestone.
(4) Prepare for audit readiness	<ul style="list-style-type: none"> Maintain proper documentation (including stamp certificates) to support stamping positions taken. Ensure your stakeholders (e.g. employees involving in contracting, procurement, finance) are aware of the stamp duty obligations and non-compliance consequences. Where uncertainties arise, consider approaching your trusted tax / legal advisors to ensure compliance under the Stamp Duty SAS.





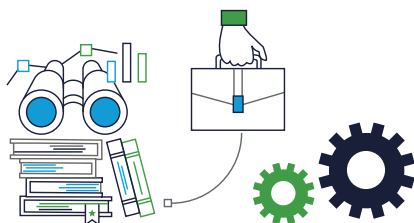
(D) How We Can Assist

Navigating stamp duty obligations under the SAS – particularly in the context of intensified audit activity – requires more than technical knowledge. It demands a structured, practical and organisation-wide approach. Businesses facing uncertainties, legacy exposures or resource constraints may benefit from engaging experienced advisors to review existing positions, assess SVDP eligibility and support audit readiness, ensuring compliance while minimising disruption to business operations.

We have assisted businesses across industries in managing stamp duty risks and would be pleased to discuss how we can support you in this area.

Glossary for Reference

Abbreviations / Acronyms	Descriptions
IRBM	Inland Revenue Board of Malaysia
SA 1949	Stamp Act 1949
SAS	Self-Assessment System
SOPs	Standard Operating Procedures
SVDP	Special Voluntary Disclosure Programme



KEY CONTACTS



Dato' Robert Teo
 Managing Partner
 ☎ +603 2610 2886
 ✉ roberteo@rsmmalaysia.my

CORPORATE TAX COMPLIANCE



Anston Cheah
 Executive Director
 ☎ +603 2610 2829
 ✉ anston.cheah@rsmmalaysia.my



Nicole Chong
 Director
 ☎ +603 2610 2830
 ✉ nicole.chong@rsmmalaysia.my

TAX ADVISORY



Anston Cheah
 Executive Director
 ☎ +603 2610 2829
 ✉ anston.cheah@rsmmalaysia.my



Lee Pei Fern
 Senior Manager
 ☎ +603 2610 2995
 ✉ leepf@rsmmalaysia.my

INDIRECT TAX



Anston Cheah
 Executive Director
 ☎ +603 2610 2829
 ✉ anston.cheah@rsmmalaysia.my



Mayadevi Karpayah
 Director
 ☎ +603 2610 2831
 ✉ mayadevi@rsmmalaysia.my

TAX AUDIT & INVESTIGATION



Anston Cheah
 Executive Director
 ☎ +603 2610 2829
 ✉ anston.cheah@rsmmalaysia.my



Rachel Low
 Associate Director
 ☎ +603 2610 2988
 ✉ lowwl@rsmmalaysia.my

PERSONAL TAX

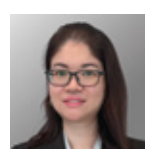


Mayadevi Karpayah
 Director
 ☎ +603 2610 2831
 ✉ mayadevi@rsmmalaysia.my



Lynda Harun
 Associate Director
 ☎ +603 2610 2832
 ✉ lynda@rsmmalaysia.my

TRANSFER PRICING



Carolyn Kam
 Executive Director
 ☎ +603 2610 2996
 ✉ carolyn.kam@rsmmalaysia.my



Athirah Mior Shahar
 Director
 ☎ +603 2610 2997
 ✉ athirah.shahar@rsmmalaysia.my



CONTACT US

RSM Tax Consultants (Malaysia) Sdn Bhd

5th Floor, Penthouse, Wisma RKT,
Block A, No.2 Jalan Raja Abdullah Off Jalan Sultan Ismail,
50300 Kuala Lumpur,
Malaysia

Johor Bahru Office

Suite 16-02, Level 16, Menara Landmark,
No. 12, Jalan Ngee Heng,
80888 Ibrahim International Business District,
Johor Bahru, Johor, Malaysia

General Email info@rsmmalaysia.my

Website www.rsmmalaysia.my

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