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Latest Updates on Stamp Duty

November 2025

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The Inland Revenue Board of Malaysia ("IRBM") has released some key updates on stamp duty in preparation for the upcoming Self-Assessment System, scheduled to commence (in phases), effective 1 January 2026.

We are pleased to share with you the above for your attention.

GLOSSARY

Abbreviations / Acronyms	Descriptions
HPA 1967	Hire-Purchase Act 1967
IRBM	Inland Revenue Board of Malaysia
SA 1949	Stamp Act 1949
SAS	Self-Assessment System

The following stamp duty guidelines (all dated 6 November 2025) were publisehed on 10 and 14 November 2025 : -

- Introduction to stamp duty under the SA 1949
- Stamp duty on loan or financing instrument for the purchase of goods listed under the First Schedule of the HPA 1967
- Stamp duty on sale and purchase instruments and instruments of transfer of title for movable property
- Late stamping penalty under the SA 1949

The above guidelines are available in Bahasa Malaysia only and can be downloaded from the IRBM's official website: *https://www.hasil.gov.my/en/legislation/guidelines/*

REMINDERS: –

(1) Based on the Budget 2025 announcement, the implementation of SAS for stamp duty will be conducted in phases, effective 1 January 2026.

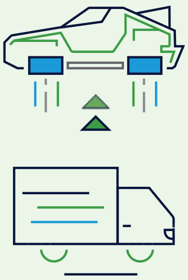
Phase	Effective Date	Types of Instruments
1	From 1 January 2026 *(less than 2 months from now)*	Instruments or agreements in respect of rental or lease, general stamping and securities
2	From 1 January 2027	Instruments in respect of transfer of property ownership
3	From 1 January 2028	Instruments or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

(2) Employment contracts signed from 1 January 2025 to 31 December 2025 are required to be duly stamped **on or before 31 December 2025**, to avoid late stamping penalty. To recap, the IRBM has previously announced an exemption on stamp duty pertaining to employment contract, as follows: –

Employment Contract Signed	Exemption on Stamp Duty	Waiver of Late Stamping
Prior to 1 January 2025	Yes	Yes
From 1 January 2025 to 31 December 2025	No	Yes – provided that relevant employment contracts are stamped **on or before 31 December 2025.**
1 January 2026 onwards	No	No

(3) Based on the Budget 2026 announcement, employment contracts involving monthly wage of not exceeding RM3,000 per month are exempted from stamp duty (applicable for employment contracts executed from 1 January 2026) (***Pending to be gazetted***).

KEY HIGHLIGHTS: –

Areas	Key Takeaways
Loan / financing instrument for the purchase of *goods listed under the First Schedule of the HPA 1967* 	1. Loan or financing instrument for the purchase of goods listed under the First Schedule of the HPA 1967 (as below) will be subject to stamp duty of **RM10(*) per instrument.** ▪ All consumer goods ▪ Motor vehicles, namely – ▪ Invalid carriages ▪ Motor cycles ▪ Motor cars including taxi cabs and hire cars ▪ Goods vehicles (where the maximum permissible laden weight does not exceed 2,540kg) ▪ Buses, including stage buses ***(*) Applicable on the principal loan / financing instrument for the purchase of the above goods in relation to financing under any Syariah principles or conventional hire purchase loan.*** 2. Loan or financing instrument for other goods NOT listed under the First Schedule of the HPA 1967 will be subject to **ad valorem duty** (i.e. at the rate of RM5 for every RM1,000 or part thereof).

KEY HIGHLIGHTS: –

Areas	Key Takeaways

Sale and purchase instruments and **Instruments of transfer of title** for *movable property*

1. In respect of movable properties, the nature of such movable properties is required to be determined, whether they constitute: –

- business / individual assets; or
- trading goods.

Based on the guidelines, examples of movable properties are plant and machinery, motor vehicles, jewellery.

2. The applicable stamp duty will depend of the nature of movable properties and instruments: –

	Business / Individual Assets	**Trading Goods**
Sale and Purchase Instruments (Instrument of sale)	▪ Subject to ad valorem duty	▪ Exempted from duty
Instruments of Transfer of Title	▪ Subject to fixed duty of RM10 per instrument if instrument of sale has been subject to ad valorem duty ▪ Subject to ad valorem duty if signed instrument of sale is not available	▪ If any, subject to ad valorem duty ▪ If not available, instrument of sale will still be exempted from duty

KEY HIGHLIGHTS: –

<table>
<tr><th>Areas</th><th>Key Takeaways</th></tr>
<tr><td>Late stamping penalty</td><td>

1. All instruments specified in the First Schedule of the SA 1949 are chargeable with stamp duty and required to be stamped, **<u>including instruments chargeable with stamp duty but the duty is EXEMPTED</u>**.

2. Currently, late stamping penalties are as follows: –

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)

3. To determine the penalties to be imposed, the delay period in respect of the following will be **combined**: –

a. stamping of instrument (generally, 30 days from the date of execution); and
b. payment of stamp duty (in the case of official assessment, generally, 30 days from the date of the notice of assessment)

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How we can assist

No.	Scope of Services
1	Stamp duty tax filing and compliance support
2	Tax advisory on stamp duty ▪ Review of agreement / contract / any other instruments ▪ Stamp duty appeal and audit ▪ Voluntary disclosure

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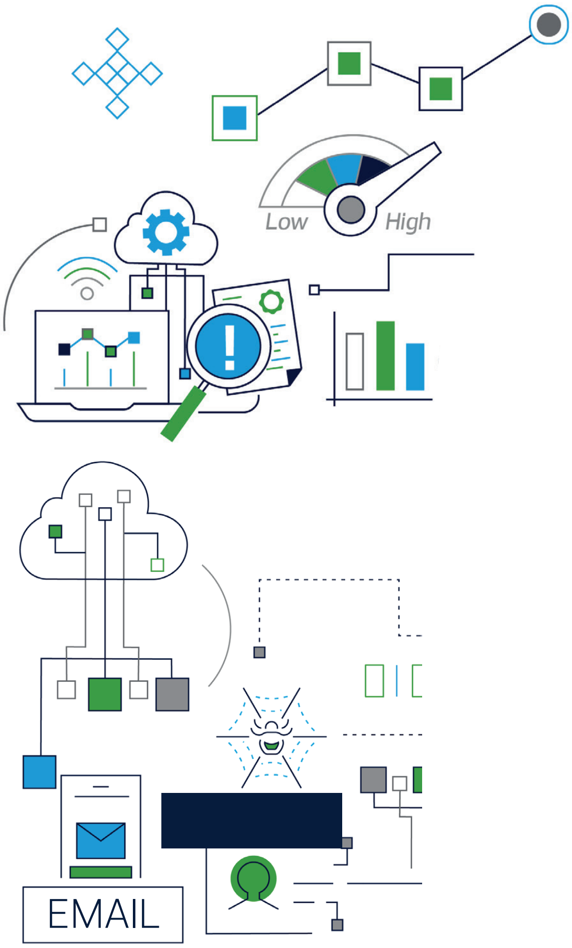

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