

REAL PROPERTY GAINS TAX (PULAU 1 OF FOREST CITY SPECIAL FINANCIAL ZONE) (EXEMPTION) ORDER 2025

PU (A) 358
3 October 2025

IN exercise of the powers conferred by subsection 9(3) of the Real Property Gains Tax Act 1976 [Act 169], the Minister makes the following order:

CITATION AND COMMENCEMENT

1(1) This order may be cited as the **Real Property Gains Tax (Pulau 1 of Forest City Special Financial Zone) (Exemption) Order 2025**.

1(2) This Order is deemed to have come into operation on 1 September 2024.

INTERPRETATION

2 In this Order, “Pulau 1 of Forest City Special Financial Zone” means Pulau 1, Forest City situated in the Mukim of Tanjung Kupang, District of Johor Bahru, Johore as shown in the *Gazette Plan PW50276* deposited in the Office of the Director of Survey and Mapping, Johore.

EXEMPTION

3(1) Subject to subparagraph (3), the Minister exempts any individual who is not a citizen or not a permanent resident from the application of Schedule 5 to the Act for the disposal of the real property in Pulau 1 of Forest City Special Financial Zone—

- (a) made in the fourth year after the date of acquisition of such real property from the payment of tax on the chargeable gain accruing on the disposal of the real property;
- (b) made in the fifth year after the date of acquisition of such real property from the payment of tax on the chargeable gain accruing on the disposal of the real property; and
- (c) made in the sixth year and the subsequent years after the date of acquisition of such real property from the payment of tax on the chargeable gain accruing on the disposal of the real property.

3(2) The amount of chargeable gain referred to in subsubparagraphs (1)(a) and (b) shall be determined in accordance with the following formula:

- (a) for the disposal of the real property made in the fourth year after the date of acquisition of such real property—

$$\frac{A}{B} \times C$$

where

- A is the amount of tax charged on the chargeable gain on the person at the appropriate tax rate reduced by the amount of tax charged on such chargeable gain at the rate of twenty per cent;
 - B is the amount of tax charged on such chargeable gain at the appropriate tax rate; and
 - C is the amount of such chargeable gain; and
- (b) for the disposal of the real property made in the fifth year after the date of acquisition of such real property—

$$\frac{A}{B} \times C$$

where

- A is the amount of tax charged on the chargeable gain on the person at the appropriate tax rate reduced by the amount of tax charged on such chargeable gain at the rate of fifteen per cent;
- B is the amount of tax charged on such chargeable gain at the appropriate tax rate; and
- C is the amount of such chargeable gain; and

3(3) For the purposes of exemption referred to in subparagraph (1), the sale and purchase agreement for the disposal of the real property is executed from 1 September 2024 to 31 July 2034 and is duly stamped before 1 September 2034.

3(4) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the individual who is not a citizen or not a permanent resident from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

CONDITIONAL CONTRACT

4 Where a contract for the disposal of the real property is a conditional contract which requires the approval by the Federal Government or the State Government, the exemption referred to in subparagraph 3(1) shall only be applicable if—

- (a) the contract for the disposal of the real property is executed from 1 September 2024 to 31 July 2034 and is duly stamped before 1 September 2034; and
- (b) the approval by the Federal Government or the State Government for the disposal of the real property is obtained on or after 1 September 2024.