

REAL PROPERTY GAINS TAX (EXEMPTION) ORDER 2020

PU (A) 218
1 June 2020

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 (Exemption) Order 2020**.

1(2) This Order is deemed to have come into operation on 1 June 2020.

INTERPRETATION

2 In this Order, “residential property” means a house, a condominium unit, an apartment or a flat in Malaysia, and includes a service apartment and a small office home office (SOHO), owned by an individual, jointly or solely, which is used only as a dwelling house.

EXEMPTION

3(1) Subject to subparagraphs (2) and (3), the Minister exempts any individual who is a citizen from the application of Schedule 5 to the Act for the payment of tax on the chargeable gain accruing on the disposal of a residential property on or after 1 June 2020 until 31 December 2021.

3(2) The exemption referred to in subparagraph (1) shall be applicable on the condition that—

- (a)** not more than three units of residential property disposed of shall be eligible for each disposer;
- (b)** the residential property disposed of is not acquired within the period from 1 June 2020 until 31 December 2021—
 - (i)** by way of a transfer between spouses; or
 - (ii)** by way of a gift between spouses, parent and child, or grandparent and grandchild where the donor is a citizen; and
- (c)** the sale and purchase agreement for the disposal of the residential property is executed on or after 1 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022 or where there is no sale and purchase agreement, the instrument of transfer for the disposal of the residential property is executed on or after 1 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022.

3(3) For the purpose of subparagraph (1), where the disposal of residential property exceeds three units, the disposer may elect any three from the said disposals of residential properties to be exempted and the election so made shall be irrevocable.

CONDITIONAL CONTRACT

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

- (a) the contract for the disposal of the residential property is executed on or after 1 June 2020 but not later than 31 December 2021 and is duly stamped not later than 31 January 2022; and
- (b) the approval by the Federal Government or the State Government concerned for the disposal of the residential property is obtained on or after 1 June 2020.

REQUIREMENT TO SUBMIT RETURN AND INFORMATION TO BE COMPLIED WITH

- 5 Nothing in subparagraph 3(1) shall absolve or be deemed to have absolved the individual who is a citizen from complying with any requirement to submit any return or to furnish any other information under the Act.