

Stamp Duty Order

Through the Treasury Announcement dated 9th September 2009, the Honourable Minister of Finance had agreed, in accordance to his purview under Section 80 (2) of the Stamp Act 1949 that the stamp duty to be imposed on service agreement is at a flat rate of RM 50.00 per agreement during the period of 15th September 2009 to 31st December 2010. To implement this order, the government has gazetted the Stamp Duty Order (Remittance) 2009 / P.U. (A) 391/2009.

With this gazette, service agreements signed between 15th September 2009 to 31st December 2010 can be stamped at any Inland Revenue Board Stamp Duty Office at a flat rate of RM 50.00 per agreement without having to obtain approval letter from the Ministry of Finance.

Effective 1st January 2011, ad valorem stamp duty will be imposed at a rate of RM 5.00 per RM 1,000.00 service agreement value. In order to keep the cost of stamp duty to a minimum, companies are advised to break down the percentage of materials cost and services cost. Ad valorem stamp duty is only imposed on the services portion of the agreement. These announcements can be accessed at Treasury website www.treasury.gov.my.