

No stamp duty for units **bought** from developers

By ONG JUAN STAR 23 MAY 2001

PENANG: Housebuyers will only be eligible for stamp duty exemption on properties if they purchase their units directly from developers.

According to the Inland Revenue Board, the incentive only applied to transactions between purchasers and developers registered under the Real Estate and Housing Developers Association (Rehda).

"Although the incentive includes all types of buildings, ranging from residential units to industrial buildings, it does not cover sub-sale transactions, which is any sale from a non-developer to a purchaser," said IRB public relations officer Mazlan Wan Chik.

He added that the exemption was effective from March 28 until end of this year.

Prime Minister Datuk Seri Dr Mahathir Mohamad had, on March

announced the incentive to reduce property overhang, as part of a RM3bil package to cushion the economic slowdown.

However, it was learnt that the Stamp Duties Office had received the directive in the form of a Government gazette only recently.

The "lag period" had caused confusion to conveyancing lawyers and uncertainties in implementing the exemption.

Mazlan explained that stamp duties paid for transactions conducted during the lag time might be refunded.

A Bar Council conveyancing sub-committee spokesman said the exemption was to help developers "get rid of their stocks."

Rehda vice-president Datuk Eddy Choong said the directive would discourage purchasers from buying from "two-dollar companies" which were not registered under Rehda.