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Property-Foreigners

RESTRICTIONS ON FOREIGNERS BUYING OLD OR NEW PROPERTY LIFTED

KUALA LUMPUR, May 3 (Bernama) -- Foreigners are now allowed to own all types of residential and commercial properties, including shophouses, office space and industrial lots, in either old or soon-to-be-launched projects costing more than RM250,000 each without having to set up a company with local equity under a new set of Foreign Investment Committee (FIC) guidelines, it was announced today.

Prime Minister Datuk Seri Dr Mahathir Mohamad said in a statement that they are also allowed to source their funding from local financial institutions for their property acquisitions following further relaxation to the Special Guidelines of April 22, 1996.

Previously, foreigners were only allowed to acquire projects which had already been completed or 50 per cent completed.

The new FIC guidelines on property acquisitions by foreigners and locals for productive purposes are effective from April 25.

Dr Mahathir said the guidelines formed part of the efforts by the government to speed up the investment process and encourage more foreign and local investments.

He also said companies or individuals involved in selling property under RM20 million now only needed to report their transactions to the FIC secretariat for record purposes.

With this, the state authority need not wait for approval from FIC in the management of such cases.

These regulations covered the sale of property by bumiputeras, non-bumiputeras to bumiputeras, non-bumiputeras to non-bumiputeras and foreign interests to Malaysians.

In addition, the acquisition of property costing less than RM10 million each by locals is now exempted from FIC approval. Prior to this, exemption was only given for purchases of property costing less than RM5 million each.

The move, Dr Mahathir said, is aimed at facilitating and speeding up small transactions under the purview of the state authority.

The government has also allowed foreign interests, undertaking manufacturing activities but are exempted from getting manufacturing licences from the Ministry of International Trade and Industry, to own industrial lots or factories.

However, Dr Mahathir said the industrial lot or factory should only be used for manufacturing and not for rental purposes.

To encourage the establishment of headquarters or regional offices in Malaysia, the government is now allowing foreign companies to own offices or office space, even for their branch offices, costing more than RM250,000 each without any equity conditions or the number of units they can own.

Foreign companies incorporated in Asean intending to set up joint ventures or engage in trading and commercial activities in Malaysia are also allowed to own offices or office space costing more than RM250,000 without any equity restrictions.

Under the "Silver-Haired Programme", the government has allowed foreigners to buy residential units costing RM150,000 and above with a condition that the property must be in an area designated for the programme.

Dr Mahathir also said the Secretary-General of the Land and Co-operative Development Ministry would be a new member of FIC.

-- BERNAMA
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