

09 MAY 2001

CHAN-PROPERTY

STAMP DUTY EXEMPTION FOR PROPERTY TRANSACTIONS

KUALA LUMPUR, May 9 (Bernama) -- The exemption from stamp duty payments for all property transactions involving foreign as well as local citizens, announced by the Prime Minister recently, will be in force up to December 31 this year, the Deputy Finance Minister, Datuk Chan Kong Choy said today.

According to Chan, the property transactions that qualify for stamp duty exemption include property that has been developed and registered with the developers association and has obtained the relevant certificate of practical completion.

The government estimates that RM4 billion worth of property would be sold during the exemption period beginning on March 28, Chan told a press conference here.

Chan added that the expected transactions would give rise to a 10-15 per cent reduction in the value of excess property in the market estimated at RM29 billion at present.

On March 26, Datuk Seri Dr Mahathir Mohamad announced the extension of the property transaction incentive in line with the government's efforts to overcome the problem of excess supplies in the property market.

Other than providing incentives like those extended during home ownership campaigns, the government relaxed the rules against foreign citizens from purchasing properties worth more than RM250,000 each regardless of whether they are newly-built.

The relaxation of the the guidelines provided by the Foreign Investment Committee (FIC) on property ownership by local and foreign investors are in line with the objective of making Malaysia a competitive destination for investments.

Previously, foreign citizens could only buy properties from projects which were at least 50 percent complete in their development, while financing for such transactions must have come only from non-Malaysian sources.

Chan added that the exemption from stamp duty payments affect all property transactions regardless of their value.

Asked about the amount of stamp duty payments that are likely to be forfeited by the government by the new ruling, he said the amount had not been computed because it depended on the public response to the new rules.

"We hope the public (including foreign citizens) would take the opportunity to purchase the properties during the exemption period," he said.

Meanwhile, the president of the Malaysian Real Estate and Housing Developers Association (REHDA) Datuk Chen Lok Loi hoped the exemption would also embrace those whose projects would be completed during the course of his year.

"We really hope the exemption would include those whose projects are under development. However, we accept what offer the government cares to make for the time being," he said. -- BERNAMA

MOT SEL