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REPRINT

Act 378

STAMP ACT 1949

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STAMP ACT 1949

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LAWS OF MALAYSIA

Act 378

STAMP ACT 1949

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Act 378

STAMP ACT 1949

An Act relating to stamp duties.

[*Peninsular Malaysia— 5 December 1949; Sabah and Sarawak— 1 October 1989, P.U. (B) 441/1989*]

PART I

PRELIMINARY

Short title and application

1. (1) This Act may be cited as the Stamp Act 1949.

(2) This Act shall apply throughout Malaysia.

Interpretation

2. In this Act, unless the context otherwise requires—

"banker" means any person licensed under the Islamic Banking Act 1983 [*Act 276*] or the Banking and Financial Institutions Act 1989 [*Act 372*] to carry on the business of banking in Malaysia;

"bond" means—

(a) any instrument whereby a person obliges himself to pay money to another on condition that the obligation shall be void if a specified act is performed or is not performed, as the case may be;

(b) any instrument, attested by a witness and not payable to order or bearer, whereby a person obliges himself to pay money to another;

"charge" means any instrument whereby, for the purpose of securing the payment of any definite and certain sum of money advanced or lent at the time or previously due or foreborne to be paid or for the repayment of money to be thereafter lent, advanced or paid, or which may become due upon any account current, together with any sum already advanced or due, or without, as the case may be, or for the performance of any contract or engagement, one person creates a right over or charge upon any specified property; and includes any instrument which purports to create or in which any person agrees to create any such right or charge;

"cheque" means a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand;

"Collector" includes the Collector of Stamp Duties and every Deputy Collector of Stamp Duties appointed under section 3;

"continuation clause" in a policy of sea insurance made for time means an agreement to the following or the like effect, namely, that in the event of the ship being at sea or the voyage otherwise not completed on the expiration of the policy, the subject matter of the insurance shall be held covered until the arrival of the ship, or for a reasonable time thereafter not exceeding thirty days;

"contract note" means the note sent by a dealer or agent to his principal, or by any person who by way of business deals, or holds himself out as dealing, as a principal in any stock or marketable securities, advising the principal, or the vendor or purchaser, as the case may be, of the sale or purchase of any stock or marketable security, but does not include a note sent by a dealer or agent to his principal where the principal is himself acting as dealer or agent for a principal and is himself a person who *bona fide* carries on the business of a dealer in Malaysia;

"conveyance on sale" includes every instrument and every decree or order of any Court, whereby any property, or any estate or interest in any property, upon the sale thereof is transferred to or vested in a purchaser or any other person on his behalf or by his direction;

"dealer" means any person licensed under the Securities Industry Act 1983 [*Act 280*] to carry on the business of dealing in securities in Malaysia and is recognized as a member company by a stock exchange;

"die" includes any plate, type, tool or implement whatever used under the direction of the Collector for expressing or denoting any duty or rate of duty, or the fact that any duty or rate of duty or penalty has been paid, or that an instrument is duly stamped, or is not chargeable with any duty or for denoting any fee, and also any part of any such plate, type, tool or implement;

"duly stamped", as applied to an instrument, means that the instrument bears an adhesive or impressed stamp of not less than the proper amount and that such stamp has been affixed or used in accordance with the law for the time being in force in Malaysia:

Provided that in the case of Sabah and Sarawak an official receipt for the proper amount may be affixed to any instrument in lieu of the stamp, and the instrument shall then be deemed to be duly stamped;

"duty" means any stamp duty for the time being chargeable under this Act or under any written law;

"equitable mortgage" means an agreement or memorandum, under hand only, relating to the deposit of any title deeds or instruments constituting or being evidence of the title to any property whatever (other than stock or marketable securities and a letter of hypothecation), or creating a charge on such property but does not include a registered charge on land in any State;

"executed" and "execution", used with reference to instruments not under seal, mean "signed" and "signature";

"foreign currency loan" means any loan denominated wholly in currencies other than the Ringgit;

"impressed stamp" means a stamp impressed by means of a die, or an adhesive stamp over which an impression, denoting the date of such impression, has been made by the proper officer by means of a die;

"instrument" includes every written document;

"insurer" means any person licensed under the Takaful Act 1984 [*Act 312*] or the Insurance Act 1996 [*Act 513*] to carry on an insurance business in Malaysia and includes a reinsurer;

"lease" means a lease of immovable property, and includes—

(a) any undertaking in writing to cultivate, occupy, or pay or deliver rent for, immovable property;

(b) any instrument by which tolls, rents or profits of any description are let to farm;

(c) any writing on an application for a lease intended to signify that the application is granted;

"letter of hypothecation" means any instrument creating a pledge or lien over goods in consideration of moneys advanced or to be advanced or to secure the payment or repayment of moneys;

"marketable security" means a security of such a description as to be capable of being sold or negotiated in any stock market in Malaysia or elsewhere;

"money" includes all sums whether expressed in the ringgit or in any other currency;

"mortgage" means a security by way of mortgage for the payment of any definite and certain sum of money advanced or lent at the time, or previously due or foreborne to be paid, being payable, or for the repayment of money to be thereafter lent, advanced or paid, or which may become due upon an account current, together with any sum already advanced or due, or without, as the case may be; and includes—

(a) any conveyance of any property in trust to be sold or otherwise converted into money intended only as a security, and redeemable before the sale or other disposal thereof either by express stipulation or otherwise;

(b) any instrument in writing for defeating or making redeemable, or explaining or qualifying any conveyance of property, apparently absolute, but intended only as a security;

(c) any agreement for a mortgage or any agreement (other than an agreement chargeable with duty as an equitable mortgage), contract, or bond accompanied with a deposit of title deeds or with other instruments evidencing a right to property, for making a mortgage or any other security or conveyance as aforesaid of any property comprised in the title deeds or other instruments or for pledging or charging the same as a security; and

(d) any deed operating as a mortgage of any stock or marketable security;

"official receipt" means a receipt issued by or on behalf of the Collector for payment of stamp duties;

"paper" includes every material upon which words or figures can be expressed;

"policy of insurance" includes every writing whereby any contract of insurance is made or agreed to be made or is evidenced, and the expression "insurance" includes assurance;

"policy of sea insurance"—

(a) means any insurance, including re-insurance, made upon any ship or vessel, whether for marine or inland navigation, or upon the machinery, tackle or furniture of any ship or vessel or upon any goods, merchandise or property of any description whatever on board of any ship or vessel or upon the freight of or any other interest which may be lawfully insured in or relating to any ship or vessel; and

(b) includes any insurance of goods, merchandise or property for any transit which includes, not only a sea risk under paragraph *(a)*, but also any other risk incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance;

"power of attorney" means any instrument except a warrant to act as a solicitor in any judicial proceeding, empowering a specified person to act in the stead of the person executing it;

"promissory note" means any document or writing (except a bank note) containing a promise to pay any sum of money and includes a note promising the payment of any sum of money out of any particular fund which may or may not be available or upon any condition or contingency which may or may not be performed or happen;

"property" includes movable or immovable property and any estate or interest in any property movable or immovable, whether in possession, reversion, remainder or contingency, and any debt, and anything in action, and any other right or interest in the nature of property which is capable of being disposed of and has a value in it;

"settlement" means any non-testamentary disposition in writing whether made voluntarily or upon a good or valuable consideration other than a *bona fide* pecuniary consideration whereby any definite and certain property is settled or agreed to be settled in any manner for any purpose whatsoever;

"stock" includes any share in the capital stock or funded debt of any corporation, company or society in Malaysia or elsewhere and any share in the stocks or funds of the Government of Malaysia or of any other Government or country;

Collector and Deputy Collectors of Stamp Duties

3. (1) The Director General of Inland Revenue referred to in subsection 134(1) of the Income Tax Act 1967 [*Act 53*] shall be the Collector of Stamp Duties.

(2) The Minister of Finance may, by notification in the *Gazette*, appoint such number of Deputy Collectors of Stamp Duties as he thinks fit, for the purpose of carrying out the provisions of this Act.

Powers of Collector

3A. (1) The Collector may by notice in writing require any person to produce any instrument for the purpose of ascertaining whether it is chargeable with duty under this Act and, if so, whether that duty has been paid.

(2) The Collector shall, if he considers it necessary in the execution of his duties under this Act, at all times have full and free access to all lands, buildings and places, and all books and documents, whether in the custody or under the control of a public officer or a body corporate or any other person whatsoever, for the purpose of ascertaining the market value of any property or of ascertaining any facts or inspecting any books or documents which the Collector considers necessary or relevant for the purposes of this Act, or considers likely to provide any information otherwise required for the purposes of this Act, and may, without fee or reward, make extracts from or copies of any such books or documents.

(3) The Collector may take possession of any such books or documents where in his opinion—

(a) the inspection or copying thereof or extraction therefrom cannot reasonably be performed without taking possession thereof;

(b) the books or documents may be interfered with, concealed or destroyed unless possession thereof is taken; or

(c) the books or documents may be required as evidence in any proceeding instituted or commenced under or for any of the purposes of this Act.

(4) For the purpose only of ascertaining the market value of any property, the Collector may in writing authorise any valuer employed by the Government, whether he be a public officer or a person privately practising as a valuer, to exercise any of the powers conferred upon the Collector by this section.

(5) Any person who obstructs or hinders the Collector, or any valuer duly authorized by the Collector, in the exercise of any of his powers under this section, or who refuses or fails to comply with a notice under subsection (1) or with any direction given in good faith by the Collector or any such valuer for any of the purposes of this section, shall be liable to a fine not exceeding two hundred and fifty ringgit.

PART II

PROVISIONS APPLICABLE TO INSTRUMENTS GENERALLY

Liability of Instruments to Duty

Instruments chargeable with duty

4. (1) Subject to this Act and subject to the exemptions contained in this Act and in any written law for the time being in force, the several instruments specified in the First Schedule shall, from and after the commencement of this Act, be chargeable with the several duties specified in such Schedule.

(2) Nothing in this Act shall render liable to additional duty any instrument whereon duty is expressly imposed under any other written law in force in Malaysia.

(3) Where in the case of any sale, lease, charge, settlement, exchange or partition several instruments are employed for completing the transaction, the principal instrument only shall be chargeable with the duty prescribed in the First Schedule for the conveyance, lease, charge, settlement or partition and each of the other instruments shall be chargeable with a duty of ten ringgit only; and the parties may determine for themselves which of the instruments so employed shall, for the purpose of this subsection, be deemed to be the principal instrument.

(4) The duties imposed by such Schedule may be cancelled, varied or added to by a resolution of the House of Representatives.

Stamp duty on instruments executed outside Malaysia effecting transfers of property in Malaysia

4A. (1) Any instrument executed outside Malaysia and purporting to effect a transfer of any immovable property, or of any movable property other than debentures issued by, or shares in, a company, shall, if the property intended to be transferred is situated in any part of Malaysia, be chargeable with stamp duty in accordance with the First Schedule, and unless the instrument of transfer, or a counterpart or duplicate thereof which shall be chargeable with the like duty as if it were the original, is brought into Malaysia and the proper stamp duty payable thereon as if the original had been executed in Malaysia is paid, the transfer shall not take effect.

(2) Where any instrument executed outside Malaysia and purporting to effect a transfer of debentures issued by, or shares in, a company incorporated in Malaysia under section 16 of the Companies Act 1965 [*Act 125*] or a foreign company registered in Malaysia under section 332 of that Act is produced or delivered to the company for registration, in the case of a company incorporated in Malaysia, in a register of debenture holders or a register of members of the company kept in Malaysia in pursuance of section 70 or 158 of that Act or, in the case of a foreign company, in a branch register of the foreign company kept in Malaysia in pursuance of section 342 of that Act, the company or foreign company shall, unless the instrument of transfer bears a stamp, duly cancelled in accordance with this Act, showing—

(a) that the proper stamp duty has been paid thereon in accordance with the First Schedule; or

(b) such other evidence of payment of the proper stamp duty as this Act may allow,

refuse to register the transfer and the transfer shall not take effect.

(3) Where any instrument of transfer of any of the descriptions mentioned in subsection (2) is registered otherwise than in accordance with that subsection, the company or foreign company and the officer of the company or foreign company responsible for making the entry in the register shall be liable to a fine not exceeding two hundred and fifty ringgit.

(4) In this section—

(a) (*Omitted*);

(b) expressions which are defined in the Companies Act 1965 shall have the same meaning as in that Act.

Payment of Duty

All facts and circumstances to be set out

5. All the facts and circumstances affecting the liability of any instrument to duty or the amount of the duty with which any instrument is chargeable are to be fully and truly set forth in the instrument, and the Collector may require such evidence to be furnished as may be reasonably necessary to prove that all such facts and circumstances are truly set forth.

Loan and financing for the purposes of small business

5A. Every instrument being the only or principal or primary security for the payment or repayment of—

(a) a loan to a small business; or

(b) moneys provided in financing a small business according to the syariah,

shall be indorsed by an authority approved by the Minister of Finance that the loan or the financing was made for the purposes of a small business.

Instrument relating to distinct matters

6. Except where express provision to the contrary is made by this Act or by any other written law—

(a) an instrument containing or relating to several distinct matters shall be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the matters;

(b) an instrument made for any consideration in respect of which it is chargeable with *ad valorem* duty, and also for any further or other valuable consideration or considerations, shall be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the considerations.

Mode of paying and denoting duty

7. (1) Subject to any rules made under paragraph 82*(b)*, all duties with which any instruments are chargeable under this Act shall be paid, and payment shall be indicated on such instrument, by means of an adhesive stamp:

Provided that in the case of Sabah and Sarawak, the payment may be indicated by affixing an official receipt to such instrument.

(2) Where duty is required to be paid or indicated by means of an adhesive stamp, such stamp shall be a revenue stamp issued under this Act for the payment of stamp duty, which, at the time the duty is to be paid or indicated, is a valid revenue stamp.

(3) Stamps used for any of the instruments described under any of the articles in the First Schedule and not included in the Second Schedule shall, and stamps used for any of the instruments described under any of the articles in the Second Schedule may, be cancelled as follows: The instrument, or the paper on which it is proposed to be written, shall be taken to the office of the Collector and the stamp shall there be cancelled by having the words "Stamp Office" with the name of the district and the date written or printed partly on the stamp and partly on the paper to which the stamp is affixed.

(4) Stamps used for any of the instruments described under any of the articles in the Second Schedule shall, unless cancelled in the manner provided in the last preceding subsection, be cancelled

as follows: Whoever affixes any such stamp to any instrument chargeable with duty and which has been executed by any person shall, when affixing such stamp, cancel the same by writing or marking distinctly the date in ink either wholly on the stamp or partly on the stamp and partly on the paper to which the stamp is affixed, or in such other manner as the Minister of Finance may from time to time direct, so that the stamp cannot be used again, and whoever executes any instrument on any paper bearing a stamp shall at the time of execution, unless such stamp has been already cancelled in the manner aforesaid, cancel the same in the manner aforesaid so that it cannot be used again.

(5) Any instrument bearing a stamp which has not been so cancelled in the manner prescribed in this section that it cannot be used again shall, so far as such stamp is concerned, be deemed to be unstamped.

(6) Where two or more stamps are used to denote the stamp duty on any instrument, each and every stamp shall be cancelled in the manner prescribed in this section.

(7) In the case of instruments specified in the first column of the Second Schedule, the persons mentioned in the second column of the said Schedule are the persons required, subject to subsection (3), to cancel the stamps.

(8) The Second Schedule may be amended by the Minister of Finance by order published in the *Gazette*.

Franking of certain instruments

8. (1) Notwithstanding anything contained in this Act, it shall be lawful for the Minister of Finance by licence under his hand to authorise any person to pay the duty on any of the instruments specified in the Fifth Schedule by means of a postal franking machine.

(1A) The Fifth Schedule may be amended by the Minister of Finance by Order published in the *Gazette*.

(2) A licence issued under this section shall be subject to such conditions as the Minister of Finance may in his absolute discretion impose.

(3) The issue of a licence under this section shall be notified by publication in the *Gazette*.

(4) Every impression indicating the payment of duty made by a postal franking machine used under licences under this section shall contain the true date of the making of such impression.

(5) The franking of any of the above-mentioned instruments by any duly authorized person as provided for in this section, if done in accordance with the terms of this section and of the licence, shall have the same effect as cancelling an adhesive stamp on the date and to the value indicated by such franking.

Cheques, contract notes or policies of insurance drawn on forms supplied by bankers, stockbrokers or insurers authorized in that behalf need not bear a stamp

9. (1) The Collector may, authorize any banker to compound for the payment of duty on unstamped cheques, any dealer to compound for the payment of duty on unstamped contract notes, and any insurer to compound for the payment of duty on unstamped policies of insurance, on the following conditions:

(a) that the said cheques, contract notes or policies of insurance be drawn or drawn up and issued on forms to be supplied or adopted by the said banker, dealer or insurer;

(b) that the said banker, dealer or insurer do levy upon or charge to the person to whom such cheques, contract notes or policies of insurance are issued the stamp duty mentioned in the First Schedule;

(c) that the said banker, the dealer or insurer do pay on the 1st day of each calendar month in each year to the Collector the amount due and collected thereon as duties on such unstamped cheques, contract notes or policies of insurance, and where he fails to pay the amount due on each date specified or within fourteen days immediately thereafter, he shall in addition to the amount due pay a further amount of two hundred ringgit or ten per centum of the amount due whichever is the greater and any amount due shall be recoverable as a debt due to the Government;

(d) that the said banker, dealer or insurer do deposit with the Collector, as security for the due payment to the Collector of any moneys payable under paragraph *(c)*, such sum, if any, as the Minister of Finance may direct.

(2) Cheques, contract notes or policies of insurance drawn or drawn up and issued on forms supplied or adopted by such banker, dealer or insurer in accordance with this section shall be deemed to be duly stamped.

(3) Where a banker, dealer or insurer has been authorized to compound for the payment of duty on unstamped cheques, contract notes or policies of insurance as provided in subsection (1) the Collector or any person authorized by him in writing, may, at all reasonable times, inspect any stocks of unstamped cheques, contract notes or policies of insurance held by the banker, dealer or insurer and any books kept by him in connection with the issue of such cheques, contract notes or policies of insurance.

How instruments are to be written and stamped

10. (1) Every instrument written upon stamped paper is to be written in such manner, and every instrument partly or wholly written before being stamped shall be so stamped, that the stamp may appear on the face of the instrument and cannot be used for or applied to any other instrument written upon the same piece of paper.

(2) If more than one instrument be written upon the same piece of paper, every one of the instruments shall be separately and distinctly stamped with the duty with which it is chargeable.

Where duty chargeable depends on duty paid on another instrument

11. Where the duty with which an instrument is chargeable, or its exemption from duty, depends in any manner upon the duty actually paid in respect of another instrument, the payment of such last-mentioned duty shall, upon application to the Collector for that purpose and production of both the instruments, be denoted upon such first-mentioned instrument by indorsement under the hand of the Collector or in such other manner, if any, as may be prescribed by rules made under this Act.

Duplicate and counterparts

12. The duplicate or counterpart of an instrument chargeable with duty (except the counterpart of an instrument chargeable as a lease, such counterpart not being executed by or on behalf of any lessor or grantor) shall not be deemed duly stamped unless it is stamped as an original instrument, or unless it appears by a certificate indorsed thereon by the Collector that the full and proper duty has been paid upon the original instrument of which it is the duplicate or counterpart.

Valuation for Duty

Assessment of the value of property under transfer or settlement

12A. Where an instrument is chargeable with duty under Item 32*(a)* of the First Schedule, the date for determining the market value of any property being transferred, settled or gifted shall be—

(a) in the case of a settlement or gift, the date of execution of the instrument of trust or settlement or gift;

(b) in the case of a transfer implementing a sale under a duly stamped agreement of sale and purchase, the date of execution of that agreement;

(c) in the case of a transfer of any property granted by a statutory body, a local authority or any co-operative society registered under any laws relating to co-operative societies, the date when the final terms of transfer had been communicated to the transferee, and in the case of subsequent resale of that property, the date of consent by the statutory body or local authority or the board of the co-operative society for that resale;

(d) in the case of a transfer under a duly stamped sale and purchase agreement where financial arrangements have been made in accordance with the Syariah, the date of execution of agreement; or

(e) in any other case, the date of execution of the instrument of transfer.

Currency and securities

13. (1) Where an instrument is chargeable with *ad valorem* duty in respect of—

(a) any money expressed in any currency other than ringgit;

(b) any stock or marketable or other security,

the duty shall be calculated on the value, on the day of the date of the instrument or on the day it is stamped if executed out of Malaysia, of the money in ringgit according to the current rate of exchange, or of the stock or security according to the average price thereof or, if there be no price, according to the value thereof.

(2) Where an instrument contains a statement of current rate of exchange or average price, as the case may require, and is stamped in accordance with such statement, it shall, so far as regards the subject-matter of such statement, be presumed, until the contrary is proved, to be duly stamped.

Instruments reserving interest

14. When interest is expressly made payable by the terms of an instrument, such instrument shall not be chargeable with duty higher than that with which it would have been chargeable if no mention of interest had been made therein.

Principal securities in syariah financing

14A. Where it is shown that a principal or primary security secures the repayment of moneys provided under a scheme of financing made according to the syariah, duty chargeable thereon shall be calculated on the principal amount provided by the financier or financing body.

PART III

PROVISIONS APPLICABLE TO PARTICULAR INSTRUMENTS

Relief from stamp duty in case of reconstructions or amalgamations of companies

15. (1) If in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any companies

it is shown to the satisfaction of the Collector that there exist the following conditions, that is to say:

(a) that a company with limited liability has been registered within six months before the commencement of this Act, or that a company with limited liability is to be registered, or that since the commencement of this Act a company has been incorporated by special written law, or that since the commencement of this Act or within six months before the commencement thereof the nominal share capital of a company has been increased;

(b) that the company (in this section referred to as "the transferee company") is to be registered in Malaysia or has been incorporated in Malaysia or has increased its capital with a view to the acquisition either of the undertaking of, or of not less than ninety per centum of the issued share capital of, any particular existing company;

(c) that the consideration for the acquisition (except such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) consists as to not less than ninety per centum thereof—

(i) where an undertaking is to be acquired, in the issue of shares in the transferee company to the existing company or to holders of shares in the existing company; or

(ii) where shares are to be acquired, in the issue of shares in the transferee company to the holders of shares in the existing company in exchange for the shares held by them in the existing company;

then, subject to this section, stamp duty under Item 32*(a)* or *(b)* in the First Schedule shall not be chargeable on any instrument made for the purposes of or in connection with the transfer of the undertaking or shares:

Provided that—

(a) no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable or it has been brought to the Collector under section 36 and he has certified under section 37 either that the full duty with which it is chargeable has been paid, or that it is not chargeable with duty; and

(b) in the case of an instrument made for the purposes of or in connection with a transfer to a company within the meaning of the Companies Act 1965 the provisions of this subsection shall not apply unless the instrument is either—

(i) executed within a period of twelve months from the date of the registration of the transferee company or the date of the resolution for the increase of the nominal share capital of the transferee company, as the case may be; or

(ii) made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the Registrar of Companies within the said period of twelve months.

(2) For the purposes of a claim for exemption under subsection (1), a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital, shall be treated as if it had increased its nominal share capital.

(3) A company shall not be deemed to be a particular existing company within the meaning of this section unless it is provided by the memorandum of association of, or written law incorporating, the transferee company that one of the objects for which the company is established is the acquisition of the undertaking of, or shares in, the existing company, or unless it appears from the resolution, or other authority for the increase of the capital of the transferee company that the increase is authorized for the purpose of acquiring the undertaking of, or shares in, the existing company.

(4) Where a claim is made for exemption under this section, the Collector may require the delivery to him of a statutory declaration in such form as he may direct made by an advocate and solicitor, or, in the case of Sabah and Sarawak, an advocate, of the High Court, and of such further evidence, if any, as he deems necessary.

(5) If—

(a) where any claim for exemption from duty under this section has been allowed, it is subsequently found that any declaration or other evidence furnished in support of the claim was untrue in any material particular, or that

the conditions specified in subsection (1) are not fulfilled in the reconstruction or amalgamation as actually carried out;

(b) where shares in the transferee company have been issued to the existing company in consideration of the acquisition, the existing company within a period of two years from the date, as the case may be, of the registration or incorporation, or of the authority for the increase of the capital, of the transferee company ceases, otherwise than in consequence of reconstruction, amalgamation, liquidation or in compliance with Government policy on capital participation in industry to be the beneficial owner of the shares so issued to it; or

(c) where any such exemption has been allowed in connection with the acquisition by the transferee company of shares in another company, the transferee company within a period of two years from the date of its registration or incorporation or of the authority for the increase of its capital, as the case may be, ceases, otherwise than in consequence of reconstruction, amalgamation or liquidation, to be the beneficial owner of the shares so acquired;

the exemption shall be deemed not to have been allowed and an amount equal to the duty remitted shall become payable forthwith, and shall be recoverable from the transferee company as a debt due to the Government, together with interest thereon at the rate of six per centum per annum, from the date on which the duty would have become chargeable if this section had not been passed.

(6) If in the case of any scheme of reconstruction or amalgamation, the Collector is satisfied that at the proper time for making a claim for exemption from duty under subsection (1) there were in existence all the necessary conditions for such exemption other than the condition that not less than ninety per centum of the issued share capital of the existing company would be acquired by the transferee company, the Collector may, if it is proved to his satisfaction that not less than ninety per centum of the issued capital of the existing company has under the scheme been acquired within a period of six months from the earlier of the two following dates, that is to say—

(a) the last day of the period of one month after the first allotment of shares made for the purposes of the acquisition; or

(b) the date on which an invitation was issued to the shareholders of the existing company to accept shares in the transferee company,

and on production of the instruments on which the duty paid has been impressed, direct repayment to be made of such an amount of duty as would have been remitted if the said condition had been originally fulfilled.

(7) In this section, unless the context otherwise requires—

(a) references to a company (other than that of the transferee company) or to the registration or incorporation of a company (other than that of the transferee company) shall be construed as references to a company wherever registered or incorporated;

(b) references to the undertaking of an existing company include references to a part of the undertaking of an existing company;

(c) the expression "shares" includes stock.

Relief from stamp duty in case of transfer of property between associated companies

15A. (1) Stamp duty under Item 32*(a)* or *(b)* in the First Schedule shall not be chargeable on any instrument to which this section applies:

Provided that no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable or it has been brought to the Collector under section 36 and he has certified under section 37 either that the full duty with which it is chargeable has been paid, or that it is not chargeable with duty.

(2) This section applies to any instrument with respect to which it is shown to the satisfaction of the Collector that the effect thereof is to transfer a beneficial interest in property from one company with limited liability to another such company, and that the companies in question are associated, that is to say, one is the beneficial owner of not less than ninety per centum of the issued share capital of the other, or that a third company with limited liability is the beneficial owner of not less than ninety per centum of the issued share capital of each of the aforesaid companies.

(3) The ownership referred to in subsection (2) is ownership either directly or through another company or other companies, or partly directly and partly through another company or other companies, and the Sixth Schedule shall apply for the purposes of this section.

(4) This section shall not apply to any instrument unless it is also shown to the satisfaction of the Collector that the instrument was not executed in pursuance of or in connection with an arrangement whereunder—

(a) the consideration, or any part of the consideration, for the transfer was to be provided or received, directly or indirectly, by a person other than a company which at the time of the execution of the instrument was associated within the meaning of this section with either the transferor or the transferee (meaning, respectively, the company from whom and the company to whom the beneficial interest was transferred); or

(b) the said interest was previously transferred, directly or indirectly, by such a person; or

(c) the transferor and the transferee were to cease to be associated within the meaning of this section by reason of a change in the percentage of the issued share capital of the transferee in the beneficial ownership (within the meaning of this section) of the transferor or a third company,

and, without prejudice to the generality of paragraph *(a)*, an arrangement shall be treated as falling within at paragraph if it is one whereunder the transferor or the transferee, or a company associated with either as there-mentioned, was to be enabled to provide any of the consideration, or was to part with any of it, by or in consequence of the carrying out of a transaction or transactions involving, or any of them involving, a payment or other disposition by a person other than a company so associated.

Voluntary conveyance *inter vivos*

16. (1) Any conveyance or transfer operating as a voluntary disposition *inter vivos* shall be chargeable with the like stamp duty as if it were a conveyance or transfer on sale.

(2) The Collector may be required to express his opinion under section 36 on any conveyance or transfer operating as a voluntary disposition *inter vivos*, and no such conveyance or transfer shall be deemed to be duly stamped unless the Collector has expressed his opinion thereon in accordance with that section.

(3) Any conveyance or transfer, not being a disposition made in favour of a purchaser or incumbrancer or other person in good faith and for valuable consideration, shall, for the purposes of this section, be deemed to be a conveyance or transfer operating as a voluntary disposition *inter vivos*, and (except where marriage is the consideration) the consideration for any conveyance or transfer shall not for this purpose be deemed to be valuable consideration where by reason of the inadequacy of the sum paid as consideration or other circumstances the conveyance or transfer confers a substantial benefit on the person to whom the property is conveyed or transferred.

(4) A conveyance or transfer made for nominal consideration for the purpose of securing the repayment of an advance or loan or made for effectuating the appointment of a new trustee or the retirement of a trustee, whether the trust is expressed or implied, or under which no beneficial interest passes in the property conveyed or transferred, or made to a beneficiary by a trustee or other person in a fiduciary capacity under any trust, whether expressed or implied, shall not be charged with duty under this section, and this subsection shall have effect notwithstanding that the circumstances exempting the conveyance or transfer from charge under this section are not set forth in the conveyance or transfer.

How transfer for debts, stocks, securities, future payments and further consideration to be charged

17. (1) Where any property is transferred—

(a) in consideration, wholly or in part, of any debt or of any stock or marketable security; or

(b) subject, either certainly or contingently, to the payment or transfer of any money or stock, whether being or constituting a charge or incumbrance upon the property or not,

the instrument of transfer shall be chargeable with *ad valorem* duty calculated at the rates specified under Item 32*(a)* in the First Schedule upon either the value of the debt, stock or marketable security, as the case may be, or the market value of the property as on the date of execution, whichever be the greater.

(2) Where the consideration, or any part of the consideration, for a transfer of property consists of any security other than a marketable security, the instrument of transfer shall be chargeable with *ad valorem* duty calculated at the rates specified under Item 32*(a)* in the First Schedule upon either the amount due upon the security for principal and interest or, in the case of a security given under a scheme of financing made according to the syariah, any sum due and payable in addition to the principal, or upon the market value of the property as on the date of execution, whichever be the greater.

(3) A conveyance on sale made for any consideration in respect whereof it is chargeable with *ad valorem* duty, and in further consideration of a covenant by the purchaser to make, or of his having previously made, any substantial improvement of or addition to the property transferred to him or of any covenant relating to the subject-matter of the transfer, is not chargeable, and shall be deemed not to have been chargeable, with any duty in respect of such further consideration.

Duties on foreclosure orders

18. Subject to section 17, a decree or order for, or having the effect of an order for foreclosure in respect of mortgaged property shall be chargeable with duty as if it were a conveyance of such property on sale:

Provided that—

(a) the *ad valorem* stamp duty upon any such decree or order shall not exceed the duty on a sum equal to the value of the property to which the decree or order relates, and where the decree or order states that value such statement shall be conclusive for the purpose of determining the amount of the duty; and

(b) where *ad valorem* stamp duty is paid upon such decree or order, any conveyance following upon such decree or order shall be exempt from the *ad valorem* stamp duty.

Valuation in case of annuity

19. (1) Where the consideration, or any part of the consideration, for a conveyance on sale consists of money payable periodically for a definite period not exceeding twenty years, so that the total amount to be paid can be previously ascertained, the conveyance shall be charged in respect of that consideration with *ad valorem* duty on such total amount.

(2) Where the consideration, or any part of the consideration, for a conveyance on sale consists of money payable periodically for a definite period exceeding twenty years or in perpetuity, or for any indefinite period not terminable with life, the conveyance is to be charged in respect of that consideration with *ad valorem* duty on the total amount which will or may, according to the terms of sale, be payable during the period of twenty years next after the day of the date of the instrument.

(3) Where the consideration, or any part of the consideration, for a conveyance on sale consists of money payable periodically during any life or lives, the conveyance shall be charged in respect of that consideration with *ad valorem* duty on the amount which will or may, according to the terms of sale, be payable during the period of twelve years next after the day of the date of the instrument.

(4) No conveyance on sale chargeable with *ad valorem* duty in respect of any periodical payments, and containing also provision for securing the payments, shall be charged with any duty in respect of such provision, and no separate instrument made in that case for securing the payments is to be charged with any higher duty than ten ringgit.

Direction as to duty in case of certain conveyances

20. (1) Where property contracted to be sold for one consideration for the whole is conveyed to the purchaser in separate parts or parcels by different instruments, the consideration shall be apportioned in such manner as the parties think fit, so that a distinct consideration for each separate part or parcel is set forth in the conveyance relating thereto, and such conveyance shall be chargeable with *ad valorem* duty in respect of such distinct consideration.

(2) Where property contracted to be purchased for one consideration for the whole by two or more persons jointly, or by any person for himself and others, or wholly for others, is conveyed in parts or parcels by separate instruments to the person by or for whom the same was purchased for distinct parts of the consideration, the conveyance for each separate part or parcel shall be chargeable with *ad valorem* duty in respect of the distinct part of the consideration therein specified.

(3) Where a person having contracted for the purchase of any property but not having obtained a conveyance thereof, contracts to sell the same to any other person and the property is in consequence conveyed immediately to the sub-purchaser, the conveyance shall be chargeable with *ad valorem* duty in respect of the consideration moving from the sub-purchaser.

(4) Where a person, having contracted for the purchase of any property but not having obtained a conveyance thereof, contracts to sell the whole, or any part thereof, to any other person or persons and the property is in consequence conveyed by the original seller to different persons in parts or parcels, the conveyance of each part or parcel sold to a sub-purchaser shall be chargeable with *ad valorem* duty in respect only of the consideration moving from the sub-purchaser thereof, without regard to the amount or value of the original consideration; and the conveyance of the residue, if any, of such property to the original purchaser shall be chargeable with *ad valorem* duty in the manner specified by section 12A and Item 32*(a)* of the First Schedule.

(5) Where a sub-purchaser takes an actual conveyance of the interest of the person immediately selling to him, which is chargeable with *ad valorem* duty in respect of the consideration moving from him and is duly stamped accordingly, any conveyance to be afterwards made to him of the same property by the original seller shall be chargeable with a duty equal to that which would be chargeable on a conveyance for the consideration obtained by such original seller, or where such duty would exceed ten ringgit with a duty of ten ringgit.

Exchange of real property

20A. Where upon the exchange of any real property for any other real property, or upon the partition or division of any real property, any consideration is paid or given, or agreed to be paid or given, for equality:

(a) the principal or only instrument whereby the exchange or partition or division is affected is to be charged with the same *ad valorem* duty as a conveyance on sale for the consideration, and with that duty only; and

(b) where in any such case there are several instruments for completing the title of either party, the principal instrument is to be ascertained and the other instruments are to be charged, with duty in the manner hereinbefore provided in the case of several instruments of conveyance.

Vesting or transfer of an undivided interest in property

20B. (1) Every conveyance either on sale or by way of gift or settlement which operates to vest or transfer an undivided interest in real property, shall contain an affidavit of the transferee certifying that the transaction effected by the instrument does not form part of a larger transaction or series of transactions completed or to be completed within a period of twelve months after the date of the first of the instruments employed to complete the conveyance of the property.

(2) Where the transaction effected by the instrument forms part of a larger transaction or series of transactions, *ad valorem* duty upon that instrument and upon any other instrument following shall be calculated on the aggregate of the consideration or market values of the separate parts or parcels being conveyed, whichever is the higher, at the rates specified under Item 32*(a)* of the First Schedule.

Certain contracts to be chargeable as conveyances on sale

21. (1) Any contract or agreement made in Malaysia under seal or under hand only, for the sale of any equitable estate or interest in any property whatsoever, or for the sale of any estate or interest in any property except lands, tenements, hereditaments, or heritages, or property locally situate out of Malaysia, or goods, wares or

merchandise, or stock, or marketable securities, or any ship or vessel, or part interest, share or property of or in any ship or vessel, shall be charged with the same *ad valorem* duty, to be paid by the purchaser, as if it were an actual conveyance on sale of the estate, interest or property contracted or agreed to be sold.

(2) Where the purchaser has paid the said *ad valorem* duty and, before having obtained conveyance or transfer of the property, enters into a contract or agreement for the sale of the same, the contract or agreement shall be charged, if the consideration for that sale is in excess of the consideration for the original sale, with the *ad valorem* duty payable in respect of such excess consideration, and in any other case with the fixed duty of ten ringgit or three ringgit as the case may require.

(3) Where duty has been duly paid in conformity with the foregoing provisions, the conveyance or transfer made to the purchaser or sub-purchaser, or any other person on his behalf or by his direction, shall not be chargeable with any duty, and the Collector, upon application, either shall denote the payment of the *ad valorem* duty upon the conveyance or transfer or shall transfer the *ad valorem* duty thereto upon production of the contract or agreement, or contracts or agreements, duly stamped.

(4) (*Deleted by Act A723*).

(5) (*Deleted by Act A723*).

(6) (*Deleted by Act A723*).

(7) The *ad valorem* duty paid upon any such contract or agreement shall be returned by the Collector in case the contract or agreement be afterwards rescinded or annulled, or for any other reason be not substantially performed or carried into effect, so as to operate as or be followed by a conveyance or transfer.

Sale of annuity or right not before in existence

22. Where upon the sale of any annuity or other right not before in existence such annuity or other right is not created by actual grant or conveyance, but is only secured by bond, warrant of attorney, covenant, contract or otherwise, the bond or other instrument, or some one of such instruments, if there be more than one, shall

be charged with the same duty as an actual grant or conveyance, and shall for the purposes of this Act be deemed an instrument of conveyance on sale.

What is to be deemed a conveyance, not being a sale or mortgage

23. Every instrument and every decree or order of any court, whereby any property on any occasion, except a sale or mortgage, is transferred to or vested in any person, shall be charged as a conveyance or transfer of property.

Leases, how to be charged in respect of produce, *etc.*

24. (1) Where the consideration or any part of the consideration for which a lease is granted or agreed to be granted consists of any produce or other goods, the value of the produce or goods shall be deemed a consideration in respect of which the lease or agreement is chargeable with *ad valorem* duty.

(2) Where it is stipulated that the value of the produce or goods is to amount at least to, or is not to exceed, a given sum, or where the lessee is specially charged with, or has the option of paying after any permanent rate of conversion, the value of the produce or goods shall, for the purpose of assessing the *ad valorem* duty, be estimated at the given sum, or according to such permanent rate.

(3) A lease or agreement for a lease made either wholly or partially for any such consideration, if it contains a statement of the value thereof and is stamped in accordance with the statement, shall, so far as regards the subject matter of the statement, be deemed duly stamped, unless or until it is otherwise shown that the statement is incorrect, and that the lease or agreement is in fact not duly stamped.

Directions as to duty upon leases, *etc.*

25. (1) A lease or agreement for a lease or with respect to any letting shall not be charged with any duty in respect of any penal rent, or increased rent in the nature of a penal rent, thereby reserved or agreed to be reserved or made payable or by reason of being made in consideration of the surrender or abandonment of any existing lease, or agreement of or relating to the same subject matter.

(2) A lease made for any consideration in respect whereof it is chargeable with *ad valorem* duty, and in further consideration either of a covenant by the lessee to make, or of his having previously made, any substantial improvement of or addition to the property demised to him, or of any convenant relating to the matter of the lease, shall not be charged with any duty in respect of such further consideration, except where such further consideration consists of a covenant which if it were contained in a separate deed would be chargeable with *ad valorem* duty.

(3) An instrument whereby the rent reserved by any other instrument chargeable with duty and duly stamped as a lease is increased shall not be charged with duty otherwise than as a lease in consideration of the additional rent thereby made payable.

Direction as to duty upon transfer of stock

26. (1) A security for the transfer or re-transfer of any stock shall be charged with the same duty as a similar security for a sum of money equal in amount to the value of the stock; and a transfer, assignment or disposition or assignation of any such security and a reconveyance, release, discharge, surrender, re-surrender, warrant to vacate or renunciation of any such security shall be charged with the same duty as an instrument of the same description relating to a sum of money equal in amount to the value of the stock.

(2) A security for the payment of any rentcharge, annuity or periodical payments by way of repayment, or in satisfaction or discharge of any loan, advance or payment intended to be so repaid, satisfied or discharged, shall be charged with the same duty as a similar security for the payment of the sum of money so lent, advanced or paid.

(3) A transfer of a duly stamped security, and a security by way of further charge for money or stock, added to money or stock previously secured by a duly stamped instrument, shall not be charged with any duty by reason of its containing any further or additional security for the money or stock transferred or previously secured, or the interest or dividends thereof, or any new convenant, proviso, power, stipulation or agreement in relation thereto, or any further assurance of the property comprised in the transferred or previous security.

(4) An instrument chargeable with *ad valorem* duty as a mortgage shall not be charged with any further duty by reason of the equity of redemption in the mortgaged property being thereby conveyed or limited in any other manner than to a purchaser, or in trust for, or according to the direction of, a purchaser.

27. (*Deleted by Act A723*).

Security for future advances, how to be charged

28. (1) A security for the payment or repayment of money to be lent, advanced or paid, or which may become due upon an account current, either with or without money previously due, shall be charged, where the total amount secured or to be ultimately recoverable is in any way limited, with the same duty as a security for the amount so limited.

(2) Where such total amount is unlimited, the security is to be available for such an amount only as the *ad valorem* duty stamped thereon extends to cover; but where any advance or loan is made in excess of the amount covered by that duty the security shall for the purpose of stamp duty be deemed to be a new and separate instrument bearing date on the day on which the advance or loan is made.

(3) No money to be advanced for the insurance of any property comprised in the security against damage by fire, or for keeping up any policy of life insurance comprised in the security, or for effecting in lieu thereof any new policy, shall be reckoned as forming part of the amount in respect whereof the security is chargeable with *ad valorem* duty.

29. (*Deleted by Act A723*).

Directions as to duty upon a primary or principal security

29A. In determining whether an instrument is the only, principal or primary security for any annuity, or for any sum or sums of money or for the payment or repayment of money within the meaning of Item 22(1) or Item 27*(a)* in the First Schedule, no account shall be taken of any other instrument which is a security for the same annuity, sum or sums of money or for the same payment or repayment, as the case may be, or for any part thereof, unless that other instrument is chargeable with stamp duty under either of the said paragraphs and is duly stamped.

Directions as to sea policy

30. (1) No contract for sea insurance, other than such insurance as is referred to in section 363 of the Merchant Shipping Ordinance 1952 [*Ord. No 70 of 1952*] or any corresponding provision in any other written law for the time being in force in Sabah or Sarawak shall be valid unless the same is expressed in a policy of sea insurance.

(2) No policy of sea insurance made for time shall be made for any time exceeding twelve months.

(3) No policy of sea insurance shall be valid unless it specifies the particular risk or adventure or the time for which it is made, the names of the subscribers or underwriters, and the amount or amounts insured.

(4) Where any sea insurance is made for or upon a voyage and also for time, or to extend to or cover any time beyond thirty days after the ship shall have arrived at her destination and been there moored at anchor, the policy shall be charged with duty as a policy for or upon a voyage and also with duty as a policy for time.

(5) Notwithstanding anything contained in this section a policy of sea insurance made for time may contain a continuation clause, and such a policy shall not be invalid on the ground only that by reason of the continuation clause it may become available for a period exceeding twelve months.

(6) There shall be charged on a policy of sea insurance containing a continuation clause the stamp duty mentioned in the First Schedule in addition to the stamp duty which is otherwise chargeable on the policy.

(7) If the risk covered by the continuation clause attaches and a new policy is not issued covering the risk, the continuation clause shall be deemed to be a new and separate contract of sea insurance expressed in the policy in which it is contained, but not covered by the stamp thereon, and the policy shall be stamped in respect of that contract accordingly, but may be so stamped without penalty at any time not exceeding thirty days after the risk has so attached.

(8) Where any person, in consideration of any sum of money paid or to be paid for additional freight or otherwise, agrees to take upon himself any risk attending goods, merchandise or property of any description whatever while on board of any ship or vessel, or engages to indemnify the owner of any such goods, merchandise or property from any risk, loss or damage such agreement or engagement shall be deemed to be a contract for sea insurance.

Legal alteration in sea policies may be made

31. Nothing in this Act shall prohibit the making of any alteration which may lawfully be made in the terms and conditions of any policy of sea insurance after the policy has been underwritten:

Provided that—

(a) the alteration is made before notice of the determination of the risk originally insured;

(b) it does not prolong the time covered by the insurance thereby made beyond the period of six months in the case of a policy made for a less period than six months, or beyond the period of twelve months in the case of a policy made for a greater period than six months;

(c) the articles insured remain the property of the same person or persons; and

(d) no additional or further sum is insured by reason or means of the alteration.

Directions as to certain contract notes

32. (1) Where a contract note is a continuation or carrying over note made for the purpose of continuing or carrying over any transaction for the sale or purchase of stock or marketable securities, the contract note, although it is made in respect of both a sale and purchase, shall be charged with duty under this section as if it related to one of those transactions only, and, if different rates of duty are chargeable in respect of those transactions, to that one of those transactions which would render the contract note chargeable at the highest rate.

(2) Where a contract note advises the sale or purchase of more than one description of stock or marketable security, the note shall be deemed to be as many contract notes as they are descriptions of stocks or securities sold or purchased.

Obligation to execute contract note

32A. (1) Any person who effects any sale or purchase of any stock or marketable security as a dealer or agent, and any person who, by way of business—

(a) deals or holds himself out as dealing as a principal in any stock or marketable security; and

(b) buys or sells any stock or marketable security,

shall forthwith make and execute a contract note, and transmit the note to his principal, or to the vendor or purchaser of the stock or marketable security, as the case may be.

(2) No dealer, agent or other person shall have any legal claim to any charge for brokerage, commission or agency with reference to the sale or purchase of any stock or marketable security if he fails to comply with this section.

Part IV

LIABILITY FOR PAYMENT OF DUTY

Duty by whom payable

33. The expense of providing the proper stamp duty be borne—

(a) in the case of the instruments described in the first column of the Third Schedule, by the person mentioned in the second column of such Schedule;

(b) in the case of every other instrument, by the person drawing, making or executing such instrument.

34. (*Deleted by Act 476*).

Exemptions

35. The instruments appearing under the heading of "General Exemptions" in the First Schedule shall not be chargeable with duty.

PART V

ADJUDICATION AS TO STAMPS

Mode of adjudication as to proper stamp

36. (1) When any executed instrument, other than an instrument which by virtue of section 47 cannot be stamped after execution, is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to the duty, if any, with which it is chargeable, and pays a fee of ten ringgit, the Collector shall assess the duty, if any, with which in his judgment the instrument is chargeable.

(2) For this purpose the Collector may require an abstract of the instrument to be furnished, and also such affidavit or other evidence as he deems necessary to prove that all the facts and circumstances affecting the liability of the instrument to duty, or the amount of the duty chargeable thereon, are fully and truly set forth therein, and may refuse to proceed upon any such application until such abstract and evidence have been furnished to him accordingly.

(3) No evidence furnished in pursuance of this section shall be used against any person in any civil proceeding, except in an inquiry as to the duty with which the instrument to which it relates is chargeable.

(4) Every person by whom any such evidence is furnished shall, on payment of the full duty with which the instrument to which it relates is chargeable, be relieved from any penalty which he has incurred under this Act by reason of the omission to state truly in such instrument any of the facts or circumstances aforesaid.

Certificate by Collector

37. (1) When an instruments brought to the Collector under section 36 is in his opinion one of a description chargeable with duty, and—

(a) the Collector determines that it is already fully stamped; or

(b) the duty assessed by the Collector under such section, or such a sum as, with the duty already paid in respect of the instrument, is equal to the duty so assessed, has been paid;

the Collector shall certify by indorsement on such instrument that the full duty, stating the amount, with which it is chargeable, has been paid.

(2) When such instrument is in his opinion not chargeable with duty the Collector shall certify in manner aforesaid that such instrument is not so chargeable.

(3) Any instrument upon which an indorsement has been made under this section shall be deemed to be duly stamped or not chargeable with duty, as the case may be; and, if chargeable with duty, shall be receivable in evidence or otherwise and may be acted upon and registered as if it had been originally duly stamped.

(4) Nothing in this section shall be deemed to require the Collector to certify that the full duty with which an instrument is chargeable has been paid—

(a) unless any penalty chargeable in respect of the instrument under this Act has been paid; or

(b) if the instrument cannot by law be stamped.

Exception to sections 36 and 37

38. Nothing in sections 36 and 37 shall extend to any instrument chargeable with *ad valorem* duty and made as a security for money or stock without limit.

Notice of objection

38A. (1) Any person who is dissatisfied with an assessment of the Collector under section 36 may, by written notice (referred to in this Act as "notice of objection"), object to the assessment and apply to the Collector to review the assessment.

(2) Every notice of objection shall state the grounds of objection to the Collector's assessment and shall be made within thirty days after the date of the assessment or such further period as the Collector may allow in any particular case.

(3) The person giving a notice of objection shall furnish further particulars and information in relation to the grounds of the objection if required to do so by the Collector in writing.

(4) The Collector shall, on receipt of a notice of objection and such further particulars and information as he may require under subsection (3), review the assessment.

(5) After the objection has been determined, the Collector shall notify the person in writing of his decision.

(6) Where, on review, it appears to the Collector that the amount of duty originally assessed is excessive, he may cancel the original assessment and make such other assessment in substitution of the original assessment and shall serve on the person a notice of substituted assessment.

(7) The making of an objection shall not relieve the person of liability to pay the duty as required by this Act.

(8) Any reference in this Act to an assessment shall be construed as including a reference to a substituted assessment under subsection (6).

Appeal to High Court

39. (1) Any person who is dissatisfied with the decision of the Collector under subsection 38A(5) may, within twenty-one days after the person is notified in writing of that decision and upon payment of duty in conformity therewith, appeal against the decision to the High Court by filing a notice of appeal with the High Court and may for that purpose require the Collector to state and sign a case, setting forth the question upon which is opinion was required, and the decision made by him.

(1A) Where a notice of appeal has been filed under subsection (1), the notice shall be served on the Collector within the time stipulated for the filing of the notice of appeal.

(2) The Collector shall thereupon state and sign a case and deliver the same to the person by whom it is required, and the case may, within seven days thereafter or within such further time as the Court may allow, be set down by him for hearing.

(3) Upon the hearing of the case the Court shall determine the question submitted, and, if the instrument in question is in the opinion of the Court chargeable with any duty, shall assess the duty with which it is chargeable.

(4) If it is decided by the Court that the assessment of the Collector is erroneous, any excess of duty which may have been paid in conformity with the erroneous assessment, together with any fine or penalty which may have been paid in consequence thereof, shall be ordered by the Court to be repaid to the appellant, with or without costs as the Court may determine.

(5) If the assessment of the Collector is confirmed the Court may make an order for payment to the Collector of the costs incurred by him in relation to the appeal.

Time of stamping after adjudication

40. When the opinion of the Collector with respect to the amount of duty with which an instrument is chargeable has been required, the instrument shall be stamped in accordance with the assessment of the Collector within fourteen days after notice of the assessment, and in the case of an application to the High Court under section 39 within fourteen days after the issue of the order of the Court, or within such further period, in either case, as the Collector when giving notice of assessment or the Court when making the order, may specify:

Provided that the said period of fourteen days or any further period specified by the Collector or the Court may, on application made before the period or further period expires, be extended or further extended by the Collector or the Court, as the case may be.

PART VI

OF THE TIME OF STAMPING INSTRUMENTS

Instruments executed in Malaysia

41. Save where express provision to the contrary is contained in this Act, all instruments chargeable with duty and executed by any person in Malaysia shall be stamped before or at the time of execution.

Instruments executed out of Malaysia

42. (1) Every instrument chargeable with duty executed only out of Malaysia, and not being a cheque or promissory note, may be stamped within thirty days after it has first been received in Malaysia.

(2) When any such instrument is brought to him for stamping the Collector may require that the date of receipt thereof be verified by production of the envelope in which the same was received or of any accompanying letter, or, unless the date of the instrument shows that it must have been received within thirty days, by statutory declaration.

Bills, cheques or notes drawn out of Malaysia

43. (1) Every person into whose hands any cheque or promissory note drawn or made out of Malaysia comes in Malaysia before it is stamped shall, before he presents the same for acceptance or payment, or endorses, transfers or otherwise negotiates the same in Malaysia, affix thereto the proper adhesive stamp and cancel the same.

(2) If, at the time when any such cheque or note comes into the hands of any *bona fide* holder in Malaysia, the proper adhesive stamp is affixed thereto and duly cancelled, such stamp shall, so far as relates to such holder, be deemed to have been duly affixed and cancelled.

(3) If, at the time when any such cheque or note comes into the hands of any *bona fide* holder thereof in Malaysia, there is affixed thereto the proper adhesive stamp not duly cancelled, it shall be competent for such holder to cancel such stamp as if he were the person by whom it was affixed, and upon his so doing the cheque or note shall be deemed duly stamped, and as valid and available as if the stamp had been cancelled by the person by whom it was affixed.

(4) Nothing contained in subsection (2) or (3) shall relieve any person from any penalty incurred by him for omitting to affix or cancel a stamp.

(5) A cheque or promissory note drawn or made out of Malaysia which has not been duly stamped under subsection (1) may be stamped after it has been presented for acceptance or payment, or endorsed, transferred or otherwise negotiated in Malaysia—

(a) if it is stamped within thirty days after it has been first received in Malaysia, on payment in addition to the stamp duty of a penalty of ten ringgit or of the amount of the deficient duty, whichever penalty is the greater; or

(b) if it is stamped after the expiration of thirty days after it has been received in Malaysia, on payment in addition to the stamp duty of a penalty of twenty-five ringgit or four times the amount of the deficient duty, whichever penalty is the greater.

(6) The Collector may reduce or remit any penalty prescribed by this section.

Bills of exchange and cheques accepted or payable outside Malaysia

44. Notwithstanding anything in this Act contained, a cheque which is presented for acceptance, or accepted, or payable outside Malaysia shall not be invalid by reason only that it is not stamped in accordance with this Act, and any such cheque which is unstamped or insufficiently stamped may be received in evidence on payment of the proper duty and the penalty, if any, payable under section 47A, and such cheque shall, for the purposes of this section, be deemed to be an instrument which may be stamped after the first execution thereof under such section.

Power of drawee to stamp bills or cheques

45. (1) Where any cheque, is presented for payment unstamped, the person to whom it is so presented may affix thereto the proper adhesive stamp, and upon cancelling the same in manner hereinbefore provided, may pay the sum payable upon such cheque and may charge the duty against the person who ought to have paid the same or deduct it from the sum payable as aforesaid, and such cheque shall, so far as respects the duty, be deemed good and valid.

(2) Nothing herein shall relieve any person from any penalty or proceeding to which he may be liable in relation to such cheque.

Transfers of shares

46. Transfers of shares which are numbered shall not be stamped until the numbers of the shares are entered.

Stamping of instrument after execution

47. Save where other express provision is made by this or any other Act, any unstamped or insufficiently stamped instrument not being a cheque or promissory note drawn or made within Malaysia may be stamped after execution on payment of the unpaid duty if the instrument is presented for stamping within thirty days of its execution if executed within Malaysia, or within thirty days after it has been first received in Malaysia if it has been executed out of Malaysia.

Penalty for late stamping

47A. (1) An instrument which is not stamped within the period specified in or under section 40 or 47 may be stamped on payment of the unpaid duty and a penalty of—

(a) twenty-five ringgit or five per centum of the amount of the deficient duty, whichever sum be the greater, if the instrument is stamped within 3 months after the time for stamping;

(b) fifty ringgit or ten per centum of the amount of the deficient duty, whichever sum be the greater, if the instrument is stamped later than 3 months but not later than 6 months after the time for stamping; or

(c) one hundred ringgit or twenty per centum of the amount of the deficient duty, whichever sum be the greater, in any other case.

(2) The Collector may, if he thinks fit, reduce or remit such penalty or the further amount payable under paragraph 9(1)*(c)*.

Denoting penalty

48. The payment of any penalty prescribed under section 43 or section 47A shall be denoted on the instrument by a stamp duly cancelled or by means of an impressed stamp or, in the case of Sabah and Sarawak, by affixing an official receipt to the instrument, and shall be certified by the Collector.

Persons liable to penalty

49. The person liable to any penalty under section 43 or section 47A shall be the person by whom the duty is payable in accordance with Part IV.

Penalty, how recoverable

50. All duties, penalties and other sums required to be paid under this Part shall be debts due to the Government and shall be recoverable by any of the ways and means in force for the time being for the recovery of debts due to the Government.

Part VII

INSTRUMENTS NOT DULY STAMPED

Examination and impounding of instruments

51. (1) Every person having by law or consent of parties authority to receive evidence, and every person in charge of a public office, except an officer of police, before whom any instrument, chargeable, in his opinion, with duty, is produced or comes in the performance of his functions, shall, if it appears to him that such instrument is not duly stamped, impound the same.

(2) For that purpose every such person shall examine every instrument so chargeable and so produced or coming before him in order to ascertain whether it is stamped with a stamp of the value and description required by the law in force in Malaysia when such instrument was executed or first executed:

Provided that—

(a) nothing herein contained shall be deemed to require any Magistrate or Judge to examine or impound, if he does not think fit to do so, any instrument coming before him in the course of any criminal proceeding;

(b) in the case of a Judge of the High Court, the duty of examining and impounding any instrument under this section shall be performed by the Registrar.

Instruments not duly stamped inadmissible in evidence

52. (1) No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon, registered, or authenticated by any such person or by any public officer, unless such instrument is duly stamped:

Provided that—

(a) any such instrument shall, subject to all just exceptions, be admitted in evidence on payment of the duty and the penalty, if any, chargeable in respect thereof under section 43 or 47A;

(b) nothing herein contained shall prevent the admission of any instrument in evidence in any criminal court;

(c) nothing herein contained shall prevent the admission of any instrument in evidence in any court when such instrument has been executed by or on behalf of the Government of Malaysia or of any State or of the Government of any other country or where it bears the certificate of the Collector as provided by this Act.

(2) No instrument executed outside Malaysia and relating to any property situate, or to any matter or thing done or to be done, in any part of Malaysia shall, except in the circumstances mentioned in subsection (1), be given in evidence or referred to or used in any manner in any proceedings in any Court or before any tribunal, board, commission, committee or similar body by whatever name called, established under any written law, unless it is duly stamped in accordance with the law in force in that part of Malaysia at the time when it was first executed relating to stamp duty which would have been chargeable on any such instrument if it had been executed in that part of Malaysia.

(3) In subsection 2, "part of Malaysia" includes any territory which is part of Malaysia at the time of the proceedings, notwithstanding that it was not part of Malaysia when the instrument was executed.

Instruments impounded how dealt with

53. (1) When the person impounding an instrument under section 51 has by law or consent of parties authority to receive evidence and admits such instrument in evidence on payment of duty and penalty, if any, he shall, as soon as may be convenient, send such instrument, together with the amount of the duty and penalty, if any, paid in respect thereof, to the Collector; and the Collector shall stamp such instrument in accordance with section 43 or 47A and shall return it to the person who sent it to him.

(2) In every other case in which an instrument is impounded under section 51, the person impounding the same shall send it forthwith to the Collector; and the Collector, on payment of the duty and penalty, if any, chargeable in respect thereof under section 43 or 47A, shall stamp such instrument and shall return it to the person who sent it to him, but if such duty and penalty, if any, be not paid, he shall retain such instrument.

(3) Any penalty levied under this section may be reduced or remitted in the manner provided for by subsection 47A(2).

54. (*Deleted by Act 476*).

Agreements evidenced by letters how stamped

55. (1) Where a contract or agreement of any kind is effected by correspondence consisting of two or more letters and any one of the letters bears the proper stamp the contract or agreement shall be deemed to be duly stamped.

(2) Where an agreement is evidenced by one or more letters between parties, which letters were not stamped before being used, it shall be lawful for the Collector, on being satisfied that the omission to have the letter or letters stamped did not arise from an intention to evade the payment of stamp duty, to affix the proper stamp on the letter or any one of the letters evidencing the contract on payment of the duty and a further duty of ten ringgit by way of adjudication fee.

(3) On stamping any letter under this section the Collector shall write or cause to be written on the letter the words "Duly Stamped" and shall add his signature or initials thereto and the day, month and year on which the letter was stamped.

(4) Where a letter is so stamped all the letters forming together the agreement may be used in evidence to prove the agreement stated or partly stated in the letter so stamped.

Recovery of duty and penalty

56. When any duty or penalty has been paid in respect of any instrument by any person, any by agreement or under this Act or of any other written law in force at the time when such instrument was executed or first executed some other person was liable to pay the duty on such instrument, the first mentioned person shall be entitled to recover from such other person the amount of the duty or penalty so paid, and for the purpose of such recovery any certificate granted in respect of such instrument by the Collector shall be conclusive evidence as to the amount of the duty and penalty paid and the person by whom they were paid.

PART VIII

ALLOWANCE FOR SPOILED STAMPS

Allowance for spoiled stamps

57. Subject to any rules which may be made under this Act and to the production of such evidence by statutory declaration or otherwise as the Collector may require, allowance shall be made by the Collector for stamps spoiled in the following cases:

(a) the stamp on any paper inadvertently and undesignedly spoiled, obliterated or by any means rendered unfit for the purpose intended, before the paper bears the signature of any person or any instrument written thereon is executed by any party;

(b) any adhesive stamp which has been inadvertently and undesignedly spoiled or rendered unfit for use and has not in the opinion of the Collector been affixed to any paper;

(c) the stamp on any bill of exchange signed by or on behalf of the drawer which has not been accepted or made use of in any manner whatever or delivered out of his hands for any purpose other than by way of tender for acceptance;

(d) the stamp on any promissory note signed by or on behalf of the maker which has not been made use of in any manner whatever or delivered out of his hands;

(e) the stamp on any bill of exchange or promissory note which from any omission or error has been spoiled or rendered useless, although the same, being a bill of exchange, may have been accepted or indorsed, or, being a promissory note, may have been delivered to the payee, provided that another completed and duly stamped bill of exchange, or promissory note, is produced identical in every particular except in the correction of the error or omission, with the spoiled bill or note;

(f) the stamp used for any of the following instruments:

(i) an instrument executed by any party thereto, but afterwards found to be absolutely void from the beginning;

(ii) an instrument executed by any party thereto, but afterwards found unfit, by reason of any error or mistake therein, for the purpose originally intended;

(iii) an instrument executed by any party thereto, which has not been made use of for any purpose whatever, and which by reason of the inability or refusal of some necessary party to sign the same or to complete the transaction according to the instrument is incomplete and insufficient for the purpose for which it was intended;

(iv) an instrument executed by any party thereto, which by reason of the inability or refusal of any person to act under the same, or for want of registration within the time required by law, fails of the intended purpose or becomes void;

(v) an instrument executed by any party thereto, which is inadvertently and undesignedly spoiled, and in lieu whereof another instrument made between the same parties and for the same purpose is executed and duly stamped, or which becomes useless in

consequence of the transaction intended to be thereby effected being effected by some other instrument duly stamped:

Provided as follows:

(a) that the application for relief is made within twelve months after the stamp has been spoiled or become useless or in the case of an executed instrument after the date of the instrument, or, if it is not dated, within twelve months after the execution thereof by the person whom it was first or alone executed or within such further time as the Collector may prescribe in the case of any instrument sent abroad for execution or when from unavoidable circumstances any instrument for which another has been substituted cannot be produced within the said period;

(b) that in the case of an executed instrument no legal proceeding has been commenced in which the instrument could or would have been given or offered in evidence, and that the instrument is given up to be cancelled.

Allowance for misused stamps

58. When any person has inadvertently used for an instrument liable to duty a stamp of greater value than was necessary, or has inadvertently used a stamp for an instrument not liable to any duty, the Collector may, on application made within twelve months after the date of the instrument, or, if it is not dated, within twelve months after the execution thereof by the person by whom it was first or alone executed, and upon the instrument, if liable to duty, being stamped with the proper duty cancel and allow as spoiled the stamp so misused.

Allowance, how to be made

59. In any case in which allowance is made for spoiled, unused or misused stamps, the Collector shall give in lieu thereof the same value in money.

Stamp to include official receipt

59A. For the purposes of paragraph 57*(f)*, sections 58 and 59, "stamp" includes an official receipt.

PART IX

OFFENCES AND PENALTIES

Not cancelling adhesive stamps

60. Any person who, being required by law to cancel an adhesive stamp, neglects or refuses duly and effectually to do so in the manner prescribed by subsection 7(4) shall be liable to a fine not exceeding five hundred ringgit.

Penalty for not setting forth all the facts and circumstances

61. Any person who with intent to evade the payment of duty—

(a) executes any instrument in which all the facts and circumstances are not truly and fully set forth as required by section 5; or

(b) being employed or concerned in or about the preparation of any instrument neglects or omits fully and truly to set forth therein all the said facts and circumstances;

shall be liable to a fine not exceeding two thousand five hundred ringgit.

62. (*Deleted by Act 476*).

Penalty for executing and signing documents not duly stamped

63. (1) Any person who—

(a) with intent to evade the payment of duty, draws, makes, executes or signs, otherwise than as a witness, any instrument whatsoever chargeable with duty without the same being duly stamped;

(b) having drawn, made, executed or signed, other wise than as a witness, any instrument whatsoever chargeable with duty without the same being duly stamped, fails, without lawful excuse, to procure the due stamping thereof within the time within which such instrument may be stamped without penalty under this Act; or

(c) issues, endorses, transfers or presents for acceptance or payment or accepts, pays or receives payment of or in any manner negotiates any cheque or promissory note without the same being duly stamped;

shall be liable to a fine not exceeding one thousand five hundred ringgit.

(2) When any penalty has been paid in respect of any instrument under section 43, 47A, 52 or 53, the amount of such penalty shall be allowed in reduction of the fine, if any, subsequently imposed under this section in respect of the same instrument upon the person who paid such penalty.

(3) Subsection (1) shall not apply in respect of any instrument which has been indorsed as "stamped in due time" under section 40.

(4) Paragraph (1)*(b)* shall not apply to the person mentioned in the second column hereunder in respect of the execution or signature of such of the instruments appearing in the First Schedule as are specified in the corresponding line of the first column—

Title of instrument as described in Schedule A	*Persons not liable to penalty*
Conveyance, assignment, transfer or absolute bill of sale	Vendor, assignor or transferor
Lease or agreement for lease	The lessor
Charge, agreement for a charge, bond, debenture, covenant and bill of sale by way of security	The chargee or obligee in the case of a transfer or reconveyance the transferor, assignor or disposer or the person giving up the security

(5) For the purposes of this section a cheque issued in pursuance of section 9 shall be deemed to be duly stamped.

Penalty for failure to execute and transmit contract note

64. Any person who, being required under section 32A to make and execute a contract note and transmit the note as so required, refuses or neglects to make and execute the contract note or to so transmit the note shall be liable to a fine not exceeding one thousand five hundred ringgit.

Penalty for post-dating bills

65. Any person who with intent to evade the payment of duty—

(a) draws, makes or issues any promissory note bearing a date subsequent to that on which such note is actually drawn or made; or

(b) knowing that such note has been so postdated, endorses, transfers, presents for acceptance or payment or accepts, pays or receives payment of such note or in any manner negotiates the same,

shall be liable to a fine not exceeding two thousand five hundred ringgit.

66. (*Deleted by Act A723*).

Penalty for not making out policy other than on sea insurance or making one not duly stamped

67. Any person who—

(a) receives, or takes credit for any premium or consideration for any insurance other than a sea insurance, and does not within one month after receiving or taking credit for the premium or consideration make out and execute a duly stamped policy of insurance; or

(b) makes, executes, or delivers out, or pays or allows in account, or agrees to pay or allow in account, any money upon or in respect of any policy other than a policy of sea insurance which is not duly stamped,

shall be liable to a fine not exceeding one thousand ringgit.

Provided that on application and for good cause shown by any person the Minister of Finance may extend the period mentioned in paragraph *(a)* of this section to a period not exceeding three months in favour of such person.

Penalty for assuring on sea insurance unless under policy duly stamped

68. (1) Any person who—

(a) becomes an assurer upon any sea insurance or enters into any contract for sea insurance, or directly or indirectly receives or contracts or takes credit in account for any

premium or consideration for any sea insurance, or knowingly takes upon himself any risk, or renders himself liable to pay, or pays any sum of money upon any loss, peril or contingency relative to any sea insurance, unless the insurance is expressed in a policy of sea insurance duly stamped;

(b) makes or effects or knowingly procures to be made or effected any sea insurance, or directly or indirectly gives or pays, or renders himself liable to pay, any premium or consideration for any sea insurance, or enters into any contract for sea insurance unless the insurance is expressed in a policy of sea insurance duly stamped; or

(c) is concerned in any fraudulent contrivance or device, or is guilty of any wilful act, neglect or omission with intent to evade the duties payable on policies of sea insurance or whereby the duties may be evaded,

shall for every such offence be liable to a fine not exceeding one thousand ringgit.

Broker or agent

(2) Every broker, agent or other person negotiating or transacting any sea insurance contrary to the true intent and meaning of this Act, or executing any policy of sea insurance upon paper not duly stamped, shall for every such offence be liable to a fine not exceeding one thousand ringgit and shall not have any legal claim to any charge for brokerage, commission or agency or for any money expended or paid by him with reference to the insurance, and any money paid to him in respect of any such charge shall be deemed to be paid without consideration, and shall remain the property of his employer.

Penalty for making or issuing pretended copies

(3) If any person makes or issues, or causes to be made or issued, any document purporting to be a copy of a policy of sea insurance and there is not at the time of the making or issue in existence a policy duly stamped whereof the said document is a copy, he shall for such offence, in addition to any other fine or penalty to which he is liable, be liable to a fine not exceeding one thousand ringgit.

Penalty for issuing share warrant, *etc.*, not duly stamped

69. (1) If a share warrant or stock certificate to bearer is issued without being duly stamped, the company issuing the same, and also every person who, at the time when it is issued, is the managing director or secretary or other principal officer of the company, shall be liable to a fine not exceeding one thousand five hundred ringgit.

(2) If any person whose office it is to enrol, register, or enter in or upon any rolls, books or records any instrument chargeable with duty, enrols, registers or enters any such instrument not being duly stamped, he shall be liable to a fine not exceeding one thousand five hundred ringgit.

70. (*Deleted by Act A723*).

Penalty for unauthorized dealing in stamps

71. Any person who, not being duly appointed in accordance with rules made under section 82 to sell and distribute stamps, deals in any way in stamps shall, for every such offence, be liable to a fine not exceeding one thousand ringgit.

Penalty for hawking stamps

72. (1) Any person, who hawks or carries about for sale or exchange any stamps shall, in addition to any other fine or penalty to which he may be liable, be liable to a fine not exceeding one thousand ringgit.

(2) All stamps which are found in the possession of the offender shall be forfeited, and shall be delivered to the Collector to be disposed of as he thinks fit.

Postage stamps

73. Nothing in this Act shall prevent the sale of stamps at any post office established under the *Post Office Act 1947 [*Act 211*], nor the sale of stamps by any person licensed for that purpose under regulations made under that Act, nor the sale or exchange of postage or revenue stamps for philatelic purposes.

**NOTE*—The Post Office Act 1947 [*Act 211*] has since been repealed by the Postal Services Act 1991 [*Act 465*]–*see* subsection 50(1) of Act 465.

Fraud in relation to duty

74. Any person who practises or is concerned in any fraudulent act, contrivance or device not specially provided for by law, with intent to defraud the Government of any duty, shall be liable to a fine of five thousand ringgit.

Institution and conduct of prosecution

75. (1) No prosecution in respect of any offence punishable under this Act shall be instituted without the sanction of the Public Prosecutor.

(2) The Collector may compound any such offence.

(3) The amount of any such composition shall be a debt due to the Government and shall be recoverable by any of the ways and means in force for the time being for the recovery of debts due to the Government.

PART X

MISCELLANEOUS

Books, *etc*., in the custody of public officers may be inspected without fee

76. Every public officer having in his custody any registers, books, records, papers, documents or proceedings the inspection whereof may tend to secure any duty, or to prove or lead to the discovery of any fraud or omission in relation to any duty, shall at all reasonable times permit any person authorized in writing by the Collector to inspect for such purpose the registers, books, records, papers, documents or proceedings and to take such notes and extracts as he may deem necessary without fee or charge.

Collector may administer oaths

77. The Collector is authorized to administer all affirmations and oaths which may be necessary for the purposes of this Act.

Revision of acts of Collector

78. All decisions, orders and acts of the Collector shall be open to revision by the Minister of Finance and may by him be ordered to be revised, altered or modified; and any instrument purporting to have been stamped or re-stamped by order of the Minister of Finance shall be received as duly stamped under this Act.

Responsibility for loss or damage

79. The Government shall not be responsible for the loss of or for damage to any instrument tendered for stamping whilst in the custody of the Collector, nor shall any officer of the Stamp Office be responsible for such loss or damage, unless he has caused it wilfully, fraudulently or by gross negligence.

Power to exempt, reduce or remit duties

80. (1) The Minister of Finance may by order published in the *Gazette* exempt from duty, which would otherwise be chargeable under this Act, any instrument or class of instrument or any of the instruments belonging to that class, or any instruments when executed by or in favour of any particular class of persons, or by or in favour of any members of that class.

(2) The Minister of Finance may by order published in the *Gazette* reduce or remit, in the whole or any part of Malaysia, the duties with which any instrument or any particular class of instruments, or any of the instruments belonging to such class, or any instruments when executed by or in favour of any particular class of persons, or by or in favour of any members of such class, are chargeable.

(3) Any order made under subsection (1) or (2) may be made to operate retrospectively to any date, whether before or after the commencement of this Act, and may relate to duties chargeable under any written law repealed by this Act as well as to duties chargeable under this Act, and, in the case of any such exemption, remission or reduction, any moneys paid in respect thereof shall be refunded.

Power to compound duties in case of issue of bonds, *etc.*

81. The Minister of Finance may by order published in the *Gazette* provide for the composition or consolidation of duties in the case of issues by any incorporated company or other body corporate of debentures, bonds or other marketable securities.

Rules

82. The Minister of Finance may make rules—

(a) to prescribe the revenue stamps to be issued under this Act for the payment of stamp duty, to provide for matters relating to the issue and validity of such stamps, and to regulate the supply and sale of stamps, including revenue stamps, the persons by whom alone such sale is to be conducted, and the duties and remuneration of such persons;

(b) providing for the payment by means of impressed stamps of the duties chargeable upon any of the instruments specified in the First Schedule and prescribing the manner of denoting such payment;

(c) generally for carrying out the purposes of this Act.

Repeal

83. The Ordinance, Enactments and Proclamations mentioned in the Fourth Schedule are hereby repealed to the extent specified in the third column of such Schedule:

Provided that any subsidiary legislation, appointments and exemptions made or granted under the written laws repealed by this section shall continue in force and have effect as if they had been made or granted under this Act until superseded by subsidiary legislation, appointments and exemptions made or granted under this Act.

FIRST SCHEDULE

[Section 4]

INSTRUMENTS CHARGEABLE WITH STAMP DUTY

Item	Description of Instrument	Proper Stamp Duty
1	(*Deleted by Act 274*).	
2	AFFIDAVIT, STATUTORY DECLARATION OR DECLARATION IN WRITING on oath or affirmation, made before a person authorized by law to administer an oath	RM10.00
	Exemptions	
	Affidavit or Declaration in writing made—	
	(i) for the immediate purpose of being filed or used in any court or before any Judge or officer of any court;	
	(ii) for the sole purpose of enabling any person to receive any pension or charitable allowance;	
	(iii) by a surety for an officer of the Government or of the Malayan Railway with regard to the surety's means;	
	(iv) by any person on acceptance of an appointment in the service of the Government or of the Malayan Railway;	
	(v) under section 8 of the *Post Office Act 1947;	
	(vi) for renewal of Bills of Sale;	
	(vii) by a public officer that he or she has attained the appropriate age entitling such officer to a pension;	
	(viii) for the Collector under section 57 of this Act; or	
	(ix) pursuant to any statute requirement or in accordance with the directions of any Government or Agency.	
3	AGREEMENT for a lease.....	*See* lease

*NOTE—The Post Office Act 1947 [*Act 211*] has since been repealed by the Postal Services Act 1991 [*Act 465*]–*see* subsection 50(1) of Act 465.

Item	Description of Instrument	Proper Stamp Duty
4	AGREEMENT OR MEMORANDUM OF AGREEMENT made under hand only, and not otherwise specially charged with any duty, whether the same is only evidence of a contract or obligatory on the parties from its being a written instrument.	RM10.00
	Exemptions	
	Agreement or Memorandum: *(a)* for or relating to the sale of any goods, wares or merchandise other than a hire-purchase agreement; *(b)* for service or personal employment where the wages do not exceed RM300 per month, and any agreement between the master and mariners of any vessel or boat for wages; *(c)* the matter whereof is of a value of less than RM300; *(d)* for the reference of any matter to arbitration; *(e)* for the payment of interest on money deposited in any bank or with any banker; *(f)* for the repurchase of negotiable certificate of deposit whose issue has been authorized by Bank Negara Malaysia.	
	Note—An agreement for or relating to the supply of goods on hire, whereby the goods in consideration of periodical payments will or may become the property of the person to whom they are supplied, shall be charged with stamp duty as an agreement, or, if under seal, as a deed	
4A	(*Deleted by Act A723*).	
5	ANNUITY:	
	Conveyance in consideration of, and instrument creating by way of sale or gift	*See* Conveyance on Sale and sections 19 and 22
	Instrument creating by way of security	The same duty as a charge or mortgage for the amount deemed to be secured thereby.

Item	Description of Instrument	Proper Stamp Duty
6	APPOINTMENT of a RECEIVER under a mortgage	RM10.00
7	APPOINTMENT of a new TRUSTEE, and APPOINTMENT in execution of a Power, of any property, or of any share or interest in any property, by any instrument not being a Will	RM10.00
8	(*Deleted by Act 274*).	
9	(*Deleted by Act 274*).	
10	ARTICLES OF ASSOCIATION of a company	RM100.00
11	(*Deleted by Act 274*).	
12	ASSIGNMENT:	
	By way of security or of any security	*See* Charge
	Upon a sale or otherwise	*See* Conveyance
13	ASSURANCE	*See* Policy of Insurance
14	(*Deleted by Act 274*).	
15	(*Deleted by Act 274*).	
16	(*Deleted by Act 274*).	
17	(*Deleted by Act 476*).	
18	(*Deleted by Act 476*).	
19	(*Deleted by Act 476*).	
20	BILL OF SALE:	
	Absolute	*See* Conveyance
	By way of security	*See* Charge
21	BOND for securing the payment or repayment of money or the transfer or retransfer of stock	*See* Charge

Item	Description of Instrument	Proper Stamp Duty
22	BOND, COVENANT OR INSTRUMENT of any kind whatsoever:	
	(1) Being the only or principal or primary security for any annuity (except upon the original creation thereof by way of sale or security, and except a superannuation annuity), or for any sum or sums of money at stated periods, not being interest for any principal sum secured by a duly stamped instrument, nor rent reserved by a lease or tack—	
	(a) for a definite and certain period so that the total amount to be ultimately payable can be ascertained	The same *ad valorem* duty as a charge or mortgage for such total amount.
	(b) for the term of life or any other indefinite period—	RM10.00
	For every RM100 and also for any fractional part of RM100 of the annuity or sum periodically payable.	
	(2) Being a collateral or auxiliary or additional or substituted security for any of the above mentioned purposes where the principal or primary instrument is duly stamped—	
	(a) where the total amount to be ultimately payable be ascertained	One-fifth of the duty on the principal or primary security, but so as not to exceed RM10.00.
	(b) in any other case—	25 sen
	For every RM100 and also for any fractional part of RM100 of the annuity or sum periodically payable.	
	(3) Being a grant or contract for payment of a superannuation annuity, that is to say a deferred life annuity granted or secured to any person in consideration of annual premiums payable until he attains a specified age, and so to commence on his attaining that age—	RM10.00

Item	Description of Instrument	Proper Stamp Duty
	(4) Being the security for payment or repayment of money made for the purpose of pursuing higher education in higher educational institutions.	RM10.00
	(5) Being the security for securing the payment for the provision of services or facilities or to other matters or things in connection with the lease of any immovable property.	The same duty as a LEASE
23	BOND, CHARGE, MORTGAGE or other INSTRUMENT executed by way of INDEMNITY or of SECURITY for the due execution of an office, or for the discharge of liabilities, arising out of the execution thereof, or to account for money received by virtue thereof	RM10.00
	Exemptions	
	(a) Bond executed by an officer of the Government or of the Malayan Railway or his surety to secure the due execution of an office or the due accounting for money or other payments secured by virtue thereof.	
	(b) Bond for securing the refund to Government or the Malayan Railway of amounts overpaid to persons appointed by Government officers or officers of the Malayan Railway to receive their salary or allowance when absent on leave.	
	(c) Bonds required to be executed under the provisions of the Criminal Procedure Code.	
24	BOND on obtaining letters of administration where the estate exceeds RM50,000.00.	RM10.00
	Exemption	
	Bond given by any person when the estate to be administered does not exceed RM50,000.00 in value.	
25	BOND of any kind whatsoever not specifically charged with any duty	RM10.00

Item	Description of Instrument	Proper Stamp Duty
26	(*Deleted by Act 274*).	
27	CHARGE OR MORTGAGE, AGREEMENT FOR A CHARGE OR MORTGAGE, (including that under the Syariah) BOND, CONVENANT, DEBENTURE (not being a marketable security) BILL OF SALE by way of security and WARRANT OF ATTORNEY to confess and enter up judgment:	
	(a) Being the only or principal or primary security (other than an equitable mortgage or an assignment of receivables or the kind mentioned in paragraph *(d)*) for the payment or repayment of money—	
	(i) where section 5A applies—	
	For an amount not exceeding RM250,000 of the aggregate loans or of the aggregate financing under the syariah in a calendar year	RM1.00 for every RM1,000 or fractional thereof
	For each additional RM1,000 or part thereof	RM5.00
	(ii) where the loans is a foreign currency loan or the financing was made according to the syariah in currencies other than the ringgit	RM5.00 for every RM1,000 or part thereof but the total duty payable shall not exceed RM500
	(iii) in any other case—	
	For each RM1,000 or part thereof	RM5.00
	(b) Being a collateral or auxiliary or additional or substituted security (other than an equitable mortgage) or by way of further assurance for the above-mentioned purpose where the principal or primary security is duly stamped.	One-fifth of the duty on the principal or security but so as not to exceed RM10.00
	(c) An equitable mortgage	One-half of the duty which would be chargeable on a mortgage for the amount secured

Item	Description of Instrument	Proper Stamp Duty
	(d) A charge or a mortgage on or an assignment by way of security of accounts receivables to a bank, merchant bank or finance company licensed under the Banking and Financial Institutions Act 1989 or under the Islamic Banking Act 1983 or a scheduled institution as defined under section 2 of the Banking and Financial Institutions Act 1989, pursuant to an agreement for discounting invoices or hire purchase receivables	RM10.00
	(e) Transfer, assignment or disposition of any charge or mortgage, bond, covenant or debenture (not being a marketable security) or of any money or stock secured) by any such instrument or by any warrant of attorney to enter up judgment or by any judgment	Two-fifths of the duty which would be chargeable on a charge or mortgage for the amount transferred
	And also where any further money is added to the money already secured	The same duty as a principal security for such further money
	(f) (*Deleted by Act A723*).	
	(g) Charge or mortgage executed in pursuance of a duly stamped agreement for the same, on production of such agreement to the Collector	RM10.00
	(h) In any other case	RM10.00
28	(*Deleted by Act 274*).	
29	CHEQUE (unless compounded for)	15 cent
30	CONTRACT	*See* Agreement.
31	CONTRACT NOTE:	
	Relating to the sale of any shares, stock or marketable securities in companies incorporated in Malaysia or elsewhere—	
	For every RM1,000 or fractional part of RM1,000 of the value of any shares, stock or marketable securities	RM1.00

Item	Description of Instrument	Proper Stamp Duty
32	CONVEYANCE, ASSIGNMENT, TRANSFER OR ABSOLUTE BILL OF SALE:	
	(a) On sale of any property (except stock, shares, marketable securities and accounts receivables or book debts of the kind mentioned in paragraph *(c)*)	For every RM100 or fractional part of RM100 of the amount of the money value of the consideration or the market value of the property, whichever is the greater— (i) RM1.00 on the first RM100,000; (ii) RM2.00 on any amount in excess of RM100,000 but not exceeding RM500,000; (iii) RM3.00 on any amount in excess of RM500,000.
	(b) On sale of any stock, shares or marketable securities, to be computed on the price or value thereof on the date of transfer, whichever is the greater— For every RM1,000 or fractional part of RM1,000	RM3.00
	(c) On the absolute sale of any accounts receivables or book debts to a bank, merchant bank, or finance company licensed under the Banking and Financial Institutions Act 1989 or under the Islamic Banking Act 1983 or a scheduled institution as defined under section 2 of the Banking and Financial Institutions Act 1989, pursuant to a factoring agreement	RM10.00
	(d) Of any property by way of security or any security other than a marketable security	*See* Charge

Item	Description of Instrument	Proper Stamp Duty
	(e) Of any property as above where the transaction is between trustees and where—	
	(i) the beneficial interest in the property passes	Duty as in *(a)*, *(b)*, or *(c)*
	(ii) the beneficial interest in the property does not pass	RM10.00
	(f) Of any property, for the purpose of effectuating the appointment of a new trustee or the retirement of a trustee although no new trustee is appointed	RM10.00
	(g) Of any property by way of settlement	*See* Settlement
	(h) Of any property by way of gift (whether by way of voluntary disposition or otherwise)	*See* Gift and subsection 16(1)
	(i) Of any kind not otherwise specially charged with duty	RM10.00
	Exemptions	
	(a) Transfers on sale of land for the recovery of land revenue;	
	(b) Transfers by endorsement—	
	(i) of a bill of exchange, cheque or promissory note;	
	(ii) of a bill of lading, warrant for goods or other mercantile document of title to goods;	
	(iii) of a policy of insurance other than a policy of life insurance;	
	(iv) of charges on rates and taxes authorized by any written law for the time being in force in Malaysia;	
	(v) of securities of the Government of Malaysia or of any State or of the Malayan Railway;	
	(c) Transfer of units of a unit trust;	
	(d) Transfer or assignment on sale of any copyright, trade mark, patent or any similar right.	

Item	Description of Instrument	Proper Stamp Duty
33	(*Deleted by Act 274*).	
34	COUNTERPART OR DUPLICATE of any instrument chargeable with duty, and in respect of which the proper duty has been paid—	
	(a) If the duty with which the original instrument is chargeable does not exceed RM10.00	The same duty as the original
	(b) In any other case	RM10.00
35	COVENANT:	
	Any separate instrument or deed of covenant (not being an instrument or deed chargeable with *ad valorem* duty as a conveyance or charge or mortgage) made on the sale, charge or mortgage of any property, or of any right or interest therein, and relating solely to the conveyance or enjoyment of or the title to the property sold, charged or mortgaged, or to the production of the documents of title relating thereto, or to all or any of the matters aforesaid	RM10.00
36	DEBENTURE … … … …	*See* Marketable Security and Charge
37	DECLARATION of any use or trust of or concerning any property by any writing, not being a will, or an instrument chargeable with duty as a settlement	RM10.00
38	DEED of any kind not described in this Schedule	RM10.00
39	DISCHARGE OF CHARGE	*See* Re-Conveyance, *etc*.
40	DISSOLUTION OF PARTNERSHIP	*See* Partnership.
41	DUPLICATE	*See* Counterpart.
42	EQUITABLE MORTGAGE	*See* Charge (or Mortgage).
43	EXCHANGE. Any instrument whereby an exchange of any property is effected.	*(a)* In the case specified in section 20A: *see* that section;

Item	Description of Instrument	Proper Stamp Duty
		(b) In any other case: RM10.00.
44	(*Deleted by Act 274*).	
45	FURTHER CHARGE	*See* Charge.
46	GIFT	*See* Subsection 16(1).
47	INDEMNITY BOND	*See* Bond (Item 23).
48	INSURANCE	*See* Policy of Insurance.
49	LEASE OR AGREEMENT FOR LEASE: of any immovable property and for securing the payment for the provision of services or facilities or to other matters or things in connection with such lease:	
	(a) Without fine or premium when the average rent and other considerations calculated for a whole year—	

	When the Lease is for a period		
	Not exceeding one year	Exceeding one but not exceeding three years	Exceeding three or for any indefinite period
(i) Does not exceed RM2,400	Nil	Nil	Nil
(ii) For every RM250 or part thereof in excess of RM2,400	1.00	2.00	4.00

(b) In consideration of a fine or premium and without rent of other considerations	The same duty as for a conveyance for a sum equal to the amount of such consideration.
(c) In consideration of a fine or premium and reserving a rent or other considerations	The same duty as for a conveyance on sale in consideration of the fine or premium and a lease for the rent.
(d) Where a percentage or proportion, or the value of a percentage or proportion, of the produce of the land is reserved or payable to the lessor *Note*—This duty is in addition to any duty which may be chargeable under *(a)*, *(b)* or *(c)* above on account of any specified rent, fine or premium	RM10.00

Item	Description of Instrument	Proper Stamp Duty
	(e) In pursuance of a duly stamped agreement for the same on production of such agreement to the Commissioner	RM10.00
	(f) In any other case	RM10.00
	Exemption	
	Agricultural Lease or Agreement for Agricultural Lease for any definite term not exceeding three years when the rent reserved does not exceed two hundred ringgit a year.	
49A	LEASE OR AGREEMENT FOR LEASE UNDER THE PRINCIPLES OF *AL-IJARAH* of the *Syariah* law for the purpose of financing or securing repayment of money.	The same *ad valorem* duty as upon a charge or mortgage for such total amount.
50	LETTER OF GUARANTEE	RM10.00
50A	LETTER OF HYPOTHECATION	RM10.00
51	LETTER OF ALLOTMENT AND LETTER OF RENUNCIATION or any document having the effect of a letter of allotment of shares in any company or proposed company or in respect of any loan raised or proposed to be raised by any company or proposed company	RM10.00
52	MARKETABLE SECURITY:	
	(a) Not being a security transferable by delivery, for or in respect of the money thereby secured	The same *ad valorem* duty according to the nature of the security upon a mortgage.
	(b) Being a security transferable by delivery	50 sen for every RM100 or fractional part of RM100 of the nominal value of the security.
	(c) Transfer, assignment, or disposition of a marketable security	*See* Conveyance
53	MEMORANDUM OF ASSOCIATION OF A COMPANY	RM100.00
54	(*Deleted by Act 274*).	
55	(*Deleted by Act 274*).	

Item	Description of Instrument	Proper Stamp Duty
56	(*Deleted by Act A723*).	
57	PARTNERSHIP:	
	(a) Instrument of	RM10.00
	(b) Dissolution of	RM10.00
58	POLICY OF INSURANCE:	
	(1) *(a)* Policy of Sea Insurance including time policies or policies for covering a vessel or her machinery or fittings whilst under construction or repair or on trial, whether the period exceeds twelve months or not	RM10.00
	(b) For policies containing a continuation clause, additional duty	RM10.00
	NOTE—When a policy of sea insurance is drawn in a set according to the custom of marine insurers and one of the set is duly stamped, the other or others of the set shall, unless issued or in some manner negotiated apart from such duly stamped policy, be exempt from duty; and, upon proof of the loss or destruction of a duly stamped policy forming one of a set, any other policy of the set which has not been issued or in any manner negotiated apart from such lost or destroyed policy may although unstamped, be admitted in evidence to prove the contents of such lost or destroyed policy.	
	(2) FIRE POLICY—	
	For all policies and renewals irrespective of the sum insured or the term	RM10.00
	(3) ACCIDENT POLICY and policy of Insurance for any payment agreed to be made during the sickness of the insured person or his incapacity from personal injury, or by way of indemnity against loss or damage of or to any property of the insured person.	RM10.00

Item	Description of Instrument	Proper Stamp Duty
	(4) LIFE POLICY—	RM10.00
	Exemption	
	Where the sum insured does not exceed RM5,000.	
	(5) RE-INSURANCE BY AN INSURANCE COMPANY which has granted a Policy of Sea Insurance or a Policy of Fire Insurance with another Company by way of indemnity or guarantee, against the payment on the original insurance of a certain part of the sum insured thereby irrespective of the sum insured or the term	RM10.00
	(6) THIRD PARTY POLICY—	
	(a) Covering liability of the insured towards others	RM10.00
	(b) WORKMEN'S COMPENSATION (EMPLOYER'S LIABILITY):	
	Policy covering the liability of the insured to pay compensation to a workman or employee in regard to sickness or personal injury	RM10.00
	(7) COMPREHENSIVE POLICY—	
	Combining any two or more of the following risks—fire, personal injury, or sickness of the insured, damage, loss, theft and third party claims	RM10.00
	(8) Any other Insurance Policy not specifically provided for—	RM10.00
	General Exemption	
	Letter of cover or engagement to issue a policy of insurance:	
	Provided that unless such letter or engagement bears the stamp prescribed by this Act for such policy nothing shall be claimable thereunder, not shall it be available for any purpose except to compel the delivery of the policy therein mentioned.	

Item	Description of Instrument	Proper Stamp Duty
59	POWER OR LETTER OF ATTORNEY:	RM10.00
	Exemption	
	For the sole purpose of appointment or authorizing any person to vote as proxy at a meeting of a Company or Association	
60	PROMISSORY NOTE:	
	(a) executed in favour of a bank, merchant bank or borrowing company in Malaysia approved by the Minister of Finance	RM10.00
	(b) others	RM10.00
61	PROTEST OF NOTE, that is to say, any declaration in writing made by a Notary Public, or other person lawfully acting as such, attesting the dishonour of a promissory note	RM10.00
62	(*Deleted by Act 274*).	
63	(*Deleted by Act 274*).	
64	(*Deleted by Act 476*).	
65	RECONVEYANCE OF CHARGED OR MORTGAGED PROPERTY, RE-ASSIGNMENT, RELEASE, DISCHARGE, SURRENDER OR RENUNCIATION of any security or of the benefit thereof or of the money thereby secured:	Same duty as charge itself but subject to a maximum of RM10.00
66	RELEASE OR RENUNCIATION that is to say, any instrument whereby a person releases any property:	
	(a) If on sale.....	The same duty as a conveyance on sale
	(b) If by way of security.....	The same duty as a charge or mortgage
	(c) If by way of gift.....	The same duty as a conveyance by way of gift
	(d) In any other case not otherwise specially charged with duty	RM10.00

Item	Description of Instrument	Proper Stamp Duty
67	REVOCATION of Power or Letter of Attorney	The same duty as is payable on the Power or Letter of Attorney
68	REVOCATION of any use or trust of any property by any writing not being a will.	RM10.00
69	SETTLEMENT being an Instrument of Settlement or Agreement for a settlement	*See* section 16 and item 32: Conveyance
70	(*Deleted by Act 513*).	
71	SHARE WARRANT OR STOCK CERTIFICATE to bearer	RM1.00 for every RM100 or fractional part of RM100 of the nominal value of the shares or stock specified in the warrant
72	(*Deleted by Act 274*).	
73	SUBSTITUTION UNDER OR IN VIRTUE OF A POWER OF ATTORNEY and any such instrument cancelling or varying any such substitution	The same duty as is payable on the Power or Letter of Attorney
74	SURRENDER OF CHARGE	*See* Reconveyance, *etc*.
75	SURRENDER OF LEASE:	
	(a) When the duty with which the lease is chargeable does not exceed RM10.00	The duty with which such lease is chargeable
	(b) In any other case	RM10.00
76	TRANSFER	*See* Conveyance
77	TRUST	*See* Declaration and Conveyance
78	TRUST RECEIPT granted on the occasion of a loan or overdraft on goods, if unattested	RM10.00
79	(*Deleted by Act 274*).	
80	(*Deleted by Act 274*).	

GENERAL EXEMPTIONS

[Section 35]

1. All instruments of any kind whatsoever, and all counterparts or duplicates of such instruments, made or executed by or on behalf or in favour of a Ruler of a State or the Government of Malaysia or of any State or the Malayan Railway, where, but for this exemption, the Ruler or the Government or the Malayan Railway would be liable to pay the duty chargeable in respect of such instrument.

The above exemption does not extend to any instrument or writing signed or executed by any officer as Official Administrator (or, in the case of Sabah, as Administrator General) or Public Trustee or by a receiver appointed by the Court; or to any instrument rendered necessary by any written law or order of Court; or to a sale made for the recovery of an arrear of revenue or in satisfaction of a decree or order of Court.

2. Any grant or lease made on behalf of the Government by virtue of the National Land Code [*Act 56 of 1965*] or the National Land Code (Penang and Malacca Titles) Act 1963 [*Act 518*] or the Land Ordinance of Sabah [*Sabah Cap.68*] or the Land Ordinance of Sarawak [*Sarawak Cap.81*].

3. Any instrument for the sale, transfer or other disposition, either absolutely or by way of charge or otherwise, of any ship or vessel or any part, interest, share or property of or in any ship or vessel registered or licensed under the Merchant Shipping Ordinance 1952 [*Ord. 70 of 1952*] or under any law for the time being in force in any part of Malaysia.

4. Any instrument relating exclusively to immovable property situate out of Malaysia or relating exclusively to things done or to be done out of Malaysia.

5. All instruments relating solely to the business of any society registered under any written law relating to co-operative societies, and executed by an officer or member of such society, the duty on which would, but for the exemption hereby granted, be payable by such officer or member.

6. An instrument executed pursuant to a scheme of financing approved by the Central Bank or the Securities Commission as a scheme which is in accordance with the principles of Syariah, where such instrument is an additional instrument strictly required for the purpose of compliance with those principles but which will not be required for any other schemes of financing.

6. (*Deleted by Act A723*).

7. (*Deleted by Act A723*).

8. (*Deleted by Act A723*).

9. (*Deleted by Act A723*).

SECOND SCHEDULE

[Section 7]

PERSONS REQUIRED TO CANCEL ADHESIVE STAMPS

Item	Nature of Instrument and the Item Number thereto in First Schedule	Persons required to cancel the adhesive stamp
1	AGREEMENT—No. 4	The person by whom the instrument is first executed
1A	AFFIDAVIT, STATUTORY DECLARATION, *etc.* —No. 2	The Commissioner for Oaths
2	(*Deleted by Act 476*).	
3	(*Deleted by Act 476*).	
4	(*Deleted by Act 274*).	
5	CHEQUE (UNLESS COMPOUNDED FOR)—No. 29	*See* Bill of Exchange
6	CONTRACT NOTE—No. 31	The person by whom the note is executed
6A	DECLARATION of any use or trust of or concerning any property by any writing, not being a will, or an instrument chargeable with duty as a settlement executed with Amanah Raya Bhd.—No. 37	Manager or Trust Executive of Amanah Raya Bhd.
7	(*Deleted by Act 274*).	
8	LETTER OF ALLOTMENT—No. 51	The person by whom the letter is signed
9	LETTER OF RENUNCIATION—No. 51	The person in whose favour the letter is executed
10	(*Deleted by Act 274*).	
11	(*Deleted by Act 274*).	
12	POLICY OF INSURANCE when issued out of Malaysia— No. 58	The first holder in Malaysia
13	(*Deleted by Act 274*).	

Item	Nature of Instrument and the Item Number thereto in First Schedule	Persons required to cancel the adhesive stamp
14	PROMISSORY NOTE when drawn or made out Malaysia—No. 60	The first holder in Malaysia
15	PROTEST OF NOTE—No. 61	The Notary
16	(*Deleted by Act 274*).	
17	(*Deleted by Act 274*).	
18	REVOCATION OF POWER OF ATTORNEY—No. 67	The person by whom the instrument is executed
19	SECURITY BOND furnished to the Director General of Immigration in connection with the grant of a Professional Visit Pass for an Artiste, a Social Visit Pass and a Work Permit Pass—No. 25	An immigration officer
20	STUDENT LOAN AGREEMENT for the purpose of pursuing higher education in colleges or universities —No. 22	The lender
21	(*Deleted by Act A723*).	

THIRD SCHEDULE

[Section 33]

DUTY BY WHOM PAYABLE

Item	Nature of Instrument and the Item Number thereto in First Schedule	Person liable to pay Duty
1	AGREEMENT OR MEMORANDUM OF AGREEMENT—No. 4	The person by whom the instrument is first executed
2	BOND—Nos. 21, 22, 23 and 25	The obligor or other person giving the security
3	CHARGE OR MORTGAGE—No. 27	The chargor, mortgagor or obligor
4	CONTRACT—No. 30	The person by whom the instrument is first executed
4A	CONTRACT NOTE—No. 31	The person on whose account the purchase or sale is made
5	CONVEYANCE—No. 32	The grantee or transferee
6	(*Deleted by Act 274*).	
7	Exchange—No. 43	The parties in equal shares
8	LEASE OR AGREEMENT FOR LEASE—No. 49:	
	(a) Lease or agreement	The lessee
	(b) Counterpart	The lessor
9	(*Deleted by Act A723*).	
10	RE-CONVEYANCE—No. 65	The transferee or assignee or the person redeeming the security

FOURTH SCHEDULE

[Section 83]

REPEAL

No.	Title	Extent of Repeal
F.M.S. Cap. 135	The Stamp Enactment	The whole
Johore Enactment No. 137	The Stamp Enactment	The whole
Kedah Enactment No. 114	Enactment No. 114 (Stamps)	The whole in so far as it relates to stamp duties
Kelantan Enactment No. 7 of 1937	The Stamp Enactment 1937	The whole
Trengganu Enactment No. 19 of 1356	The Stamps Enactment	The whole in so far as it relates to stamp duties
S.S. Cap. 228	The Stamp Ordinance	The whole
B.M.A. Proclamation No. 37	The Stamps Proclamation	The whole
B.M.A. Proclamation No. 59	The Powers of Attorney (Stamping) Proclamation	The whole
B.M.A. Proclamation No. 66	The Stamp Duties Proclamation	The whole

NOTE—The Stamp Ordinance of Sabah [*Sabah Cap. 137*] (except section 83), the Stamp Ordinance of Sarawak [*Sarawak Cap. 32*] and the Stamp (Unnumbered Shares) Act 1962 [*Act 26/62*] were repealed by the Stamp (Amendment and Extension) Act 1989 [*Act A723*].

FIFTH SCHEDULE

[Subsection 8(1)]

List of instruments on which duty is payable by means of a postal franking machine.

1–6. (*Deleted by P.U. (A) 472/1991*)

7. (*Deleted by Act 513*)

8. Transfer of shares in public companies listed on the Kuala Lumpur Stock Exchange.

9. Hire-Purchase Agreement and guarantee thereto.

SIXTH SCHEDULE

[Subsection 15A(3)]

PROVISIONS RELATING TO SUBSIDIARY COMPANIES

PROVISIONS FOR DETERMINING AMOUNT OF CAPITAL HELD THROUGH OTHER COMPANIES

1. Where, in the case of a number of companies, the first directly owns issued share capital of the second and the second directly owns issued share capital of the third, then, for the purposes of this Schedule, the first shall be deemed to own issued share capital of the third through the second, and, if the third directly owns issued share capital of a fourth, the first shall be deemed to own issued share capital of the fourth through the second and the third, and the second shall be deemed to own issued share capital of the fourth through the third, and so on.

2. In this Schedule—

(a) any number of companies of which the first directly owns issued share capital of the second and the second directly owns issued share capital of the third and so on, and, if they are more than three, any three or more of them, are referred to as a "series";

(b) in any series—

(i) that company which owns issued share capital of another through the remainder is referred to as "the first owner";

(ii) that other company the issued share capital of which is so owned is referred to as "the last owned company";

(iii) the remainder, if one only, is referred to as an "intermediary" or, if more than one, as "a chain of intermediaries";

(c) a company in a series which directly owns issued share capital of another company in the series is referred to as an "owner";

(d) any two companies in a series of which one owns issued share capital of the other directly, and not through one or more of the other companies in the series, are referred to as being directly related to one another.

3. Where every owner in a series owns the whole of the issued share capital of the company to which it is directly related, the first owner shall be deemed to own through the intermediary or chain of intermediaries the whole of the issued share capital of the last owned company.

4. Where one of the owners in a series owns a fraction of the issued share capital of the company to which it is directly related, and every other owner in the series owns the whole of the issued share capital of the company to which it is directly related, the first owner shall be deemed to own that fraction of the issued share capital of the last owned company through the intermediary or chain of intermediaries.

5. Where—

(a) each of two or more of the owners in a series owns a fraction, and every other owner in the series owns the whole, of the issued share capital of the company to which it is directly related; or

(b) every owner in a series owns a fraction of the issued share capital of the company to which it is directly related,

the first owner shall be deemed to own through the intermediary or chain of intermediaries such fraction of the issued share capital of the last owned company as results from the multiplication of those fractions.

6. Where the first owner in any series owns a fraction of the issued share capital of the last owned company in that series through the intermediary or chain of intermediaries in that series, and also owns another fraction or other fractions of the issued share capital of the last owned company, either—

(a) directly;

(b) through an intermediary or intermediaries which is not a member or are not members of that series;

(c) through a chain or chains of intermediaries of which one or some or all are not in that series; or

(d) in a case where the series consists of more than three companies, through an intermediary or intermediaries which is a member or are members of the series, or through a chain or chains of intermediaries consisting of some but not all of the companies of which the chain of intermediaries in the series consists,

then, for the purpose of ascertaining the amount of the issued share capital of the last owned company owned by the first owner, all those fractions shall be aggregated and the first owner shall be deemed to own the sum of those fractions.

LAWS OF MALAYSIA

Act 378

STAMP ACT 1949

LIST OF AMENDMENTS

Amending law	Short title	In force from
F.M. Ord. 70/1950	Stamp (Amendment) Ordinance 1950	11-12-1950
F.M. Ord. 15/1953	Stamp (Amendment) Ordinance 1953	30-04-1953
F.M. Ord. 67/1953	Stamp (Amendment) Ordinance 1953	24-12-1953
L.N. 576/1954	Notification–Amendment of First Schedule	01-01-1955
L.N. 254/1955	Notification–Amendment of First Schedule	04-05-1955
F.M. Ord. 23/1955	Stamp (Amendment) Ordinance 1955	05-12-1949 and 15-06-1955
L.N. 113/1956	Minister of Finance Order 1956–s 4	02-04-1956
L.N. 332/1958	Federal Constitution (Modification of Laws) (Ordinance and Proclamations) Order 1958	13-11-1958
Act 91	Courts of Judicature Act 1964	16-09-1963
Singapore Act 9/1965	Republic of Singapore Independence Act 1965	09-08-1965
Act 79/1965	Companies Act 1965 – First Schedule	15-04-1966
Act 5/1967	Stamp Duty (Special Provisions) (Malaysia) Act 1967	01-04-1967

Amending law	Short title	In force from
Act 60/1967 2 and the First	Stamp (Amendment) Act 1967	All provisions other than section Schedule (except the amendment of section 80 of F.M. Ordinance No. 59 of 1949) 01-04 1967; Section 2 and the First Schedule (except as aforesaid) 30-09-1967
P.U. (B) 391/1973	Resolution of Dewan Rakyat amending First Schedule	31-08-1973
P.U. (B) 392/1973	Resolution of Dewan Negara amending First Schedule	31-08-1973
Act A15	Stamp (Amendment) Act 1969	Not yet inforce
Act A160	Stamp (Amendment) Act 1973	29-02-1973
Act A224	Stamp (Amendment) Act 1974	29-02-1974
Act A408	Stamp (Amendment) Act 1977	02-09-1977
Act 241	Finance Act 1981	Chapter V; 01-01-1981
P.U. (A) 58/1982	Stamp Duty (Amendment) Order 1982	05-03-1982
Act 274	Finance (No. 2) Act 1982	Chapter IV; 01-01-1983
Act 293	Finance Act 1983	Chapter V; 01-01-1984
Act 309	Finance Act 1984	Chapter V; 01-01-1985
Act A587	National Land Code (Amendment) Act 1984	25-03-1985
Act A723	Stamp (Amendment and Extension) Act 1989	01-10-1989; paragraph 5*(b)*: 01-01-1990
Act 421	Finance (No. 2) Act 1990	Chapter V; 01-01-1990

Amending law	Short title	In force from
P.U. (A) 470/1990	Revision of Laws (Stamp Act) Order 1990	02-01-1990
P.U. (A) 40/1991	Stamp Duty (Amendment) Order 1991	01-02-1991
P.U. (A) 472/1991	Stamp Duty (Amendment) (No. 2) Order 1991	01-01-1992
Act 476	Finance Act 1992	Chapter VI; 01-01-1992
Act 497	Finance Act 1993	Chapter III; 01-01-1993
Act 513	Finance Act 1994	Chapter IV; 01-01-1994
Act 531	Finance Act 1995	Chapter IV; 01-01-1995
Act 544	Finance Act 1996	Chapter V; 01-01-1996 except s. 25: 01-07-1995
Act 578	Finance Act 1998	Chapter V; 01-01-1998
Act 600	Finance Act 2000	Chapter IV; 30-10-1999; section 20; 16-06-2000; section 21
Act 608	Finance (No. 2) Act 2000	Chapter V; 01-01-2001
P.U. (A) 511/2000	Stamp Duty (Amendment) Order 2000	01-01-2001
Act 619	Finance Act 2002	Chapter IV; 01-01-2002
Act 624	Finance (No. 2) Act 2002	Chapter IV; 01-01-2003
Act 639	Finance Act 2004	Chapter V; 11-09-2004

LAWS OF MALAYSIA

Act 378

STAMP ACT 1949

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
2	L.N. 332/1958	13-11-1958
	Act 79/1965	15-04-1966
	Act 60/1967	30-09-1967
	Act 293	01-01-1984
	Act 309	01-01-1985
	Act A723	01-10-1989
	Act 476	01-01-1992
	Act 513	01-01-1994
	Act 608	01-01-2001
3	Act A723	01-10-1989
3A	Act 60/1967	30-09-1967
4	Act 309	01-01-1985
5A	Act 241	01-01-1981
	Act A723	01-10-1989
7	F.M. Ord. 70/1950	11-12-1950
	F.M. Ord. 23/1955	05-12-1949
	L.N. 332/1958	13-11-1958
	Act A723	01-10-1989; 01-01-1990
	Act 608	01-01-2001
8	Act 60/1967	30-09-1967
	Act A408	02-09-197
9	F.M. Ord. 70/1950	11-12-1950
	Act A723	01-10-1989
	Act 497	01-01-1993
	Act 513	01-01-1994
	Act 608	01-01-2001
	Act 619	01-01-2002
	Act 624	01-01-2003

Section	Amending authority	In force from
12	Act 60/1967	30-09-1967
	Act 497	01-01-1993
12A	Act 60/1967	01-04-1967
	Act A723	01-10-1989
	Act 497	01-01-1993
13	Act A723	01-10-1989
14A	Act A723	01-10-1989
15	F.M. Ord. 15/1953	30-04-1953
	Act 79/1965	15-04-1966
	Act 293	01-01-1984
	Act A723	01-10-1989
15A	Act A723	01-10-1989
16	Act 60/1967	30-09-1967
	Act 274	01-01-1983
17	Act A723	01-10-1989
19	Act 309	01-01-1985
20	Act 309	01-01-1985
20A	Act 274	01-01-1983
20B	Act 309	01-01-1985
	Act 531	01-01-1995
21	F.M. Ord. 70/1950	11-12-1950
	Act 309	01-01-1985
	Act A723	01-10-1989
27	Act A723	01-10-1989
29	Act 309	01-01-1985
	Act A723	01-10-1989
29A	Act 309	01-01-1985
	Act A723	01-10-1989
30	Act A723	01-10-1989
32A	Act A723	01-10-1989
	Act 608	01-01-2001
33	F.M. Ord. 67/1953	24-12-1953
	Act A723	01-10-1989
	Act 608	01-01-2001

Section	Amending authority	In force from
34	Act A723	01-10-1989
	Act 476	01-01-1992
36	Act A723	01-10-1989
	Act 544	01-01-1996
38A	Act 619	01-01-2002
39	Act 619	01-01-2002
40	Act A723	01-10-1989
42	Act 476	01-01-1992
43	Act 476	01-01-1992
	Act A723	01-10-1989
44	Act 476	01-01-1992
	Act A723	01-10-1989
45	Act 476	01-01-1992
46	Act A723	01-10-1989
47	Act 476	01-01-1992
	Act A723	01-10-1989
47A	Act A723	01-10-1989
	Act 608	01-01-2001
	Act 619	01-01-2002
	Act 624	01-01-2003
48	Act A723	01-10-1989
49	Act A723	01-10-1989
51	Act A723	01-10-1989
52	Act 60/1967	30-09-1967
	Act A723	01-10-1989
53	Act A723	01-10-1989
54	Act 476	01-01-1992
55	Act 578	01-01-1998
57	Act A723	01-10-1989
58	Act A723	01-10-1989

Section	Amending authority	In force from
59	Act A723	01-10-1989
59A	Act A723	01-10-1989
60	Act A723	01-10-1989
61	Act A723	01-10-1989
62	Act 476	01-01-1992
	Act A723	01-10-1989
63	Act A723	01-10-1989
	Act 476	01-01-1992
64	Act A723	01-10-1989
65	Act A723	01-10-1989
	Act 476	01-01-1992
66	Act A723	01-10-1989
67	Act A723	01-10-1989
68	Act A723	01-10-1989
69	Act A723	01-10-1989
70	Act A723	01-10-1989
71	Act A723	01-10-1989
72	Act A723	01-10-1989
74	Act A723	01-10-1989
75	Act A723	01-10-1989
80	L.N. 332/1958	13-11-1958
	Act 60/1967	01-04-1967
	Act 513	01-01-1994
	Act 608	01-01-2001
82	L.N. 332/1958	13-11-1958
	Act A723	01-10-1989
First Schedule	F.M. Ord. 70/1950	11-12-1950
	L.N. 576/1954	01-01-1955
	L.N. 254/1955	04-05-1955
	F.M. Ord. 23/1955	15-06-1955
	L.N. 332/1958	13-11-1958
	Act 79/1965	15-04-1966

Section	Amending authority	In force from
	P.U. (B) 391/1973	31-08-1973
	P.U. (B) 392/1973	31-08-1973
	Act A15	Not yet inforce
	Act A160	29-02-1973
	Act 274	01-01-1983
	Act 293	01-01-1984
	Act 309	01-01-1985
	Act A723	01-10-1989
	Act 421	01-01-1990
	P.U. (A) 470/1990	02-01-1990
	Act 476	01-01-1992
	Act 497	01-01-1993
	Act 513	01-01-1994
	Act 544	01-07-1995
	Act 600	30-10-1999
	Act 608	01-01-2001
	Act 619	01-01-2002
	Act 624	01-01-2003
	Act 639	11-09-2004
Second Schedule	Act 274	01-01-1983
	Act A723	01-10-1989
	Act 476	01-01-1992
	Act 513	01-01-1994
	Act 600	16-06-2000
	P.U. (A) 511/2000	01-01-2001
Third Schedule	F.M. Ord. 67/1953	24-12-1953
	Act A723	01-10-1989
	Act 274	01-01-1983
Fifth Schedule	Act A408	02-09-1977
	P.U. (A) 58/1982	05-03-1982
	P.U. (A) 40/1991	01-02-1991
	P.U. (A) 472/1991	01-01-1992
	Act 513	01-01-1994
Sixth Schedule	Act A723	01-10-1989

DICETAK OLEH
PERCETAKAN NASIONAL MALAYSIA BERHAD,
KUALA LUMPUR
PNMB BAGI PIHAK DAN DENGAN PERINTAH KERAJAAN MALAYSIA