

TRANSLATION

The Chairman
Conveyancing Practice Department
Bar Council Malaysia
No. 13, 15 and 17, Leboh Pasar
50050 Kuala Lumpur

Dear Sir,

**Announcement relating to abolition of Real Property Gains Tax (RPGT)
Effective date of abolition – 1.4.2007**

Respectfully I am instructed to refer to your letter bearing reference BC/C/112/2007 dated 29.3.2007 pertaining to the above matter.

2. Following are the answers to your queries:-
- i) The Real Property Gains Tax Exemption Order which has been gazetted as P.U.(A) 146 on 1 April 2007 exempts the application of all provisions of the Real Property Gains Tax Act 1976. This Order came into force from 1.4.2007 and will apply to all disposals that occur with effect from 1.04.2007.
 - ii) If a disposal occurs on 1.4.2007 or thereafter, both the seller/dispenser and buyer/acquirer will no longer need to file CKHT 1 and 2 forms for any sale and purchase of property;
 - iii) If a disposal occurs before 1.4.2007, both the seller/dispenser and buyer/acquirer are required to file CKHT 1 and 2 forms;
 - iv) The RPGT abolition applies to all categories of sellers/dispensers and buyers/acquirers i.e. individuals and corporations including non-residents;
 - v) The date of disposal of a property is based on the date the sale and purchase agreement is executed or on the date of completion if the agreement is a conditional contract (new amendment to paragraph 16 of Schedule 2 to the Real Property Gains Tax Act 1976 through the 2007 Budget) or on the date of the transfer/ completion if no sale and purchase agreement has been signed; and
 - vi) If a property is sold/dispensed prior to 1.4.2007 then the seller/dispenser must declare any real property gains tax in the personal income tax returns. However, if it is sold/dispensed on 1.4.2007 or thereafter, a declaration need not be made.

Thank you.

Yours faithfully,

Datuk Aziyah Binti Bahauddin
Secretary, Tax Analysis Division
For the Secretary General, Treasury