

Date: 08th June 2022

Re: Real Property Gain Tax (RPGT) in Malaysia

TAX RATE FOR YEAR OF ASSESMENT 2018-2019, 2019-2021 & 2022									
DISPOSAL PERIOD	Individual, Partnership, executor of the estate of a deceased person who is a citizen or a permanent resident			Company [eg: company, co-operative, association, society and organization			Individual who is not citizen and not a permanent resident, or an executor of the estate deceased person who is not citizen and not a permanent resident		
	1 Jan 2018 - 31 Dec 2018	1 Jan 2019 - 31 Dec 2021	w.e.f - 1 Jan 2022	1 Jan 2018 - 31 Dec 2018	1 Jan 2019 - 31 Dec 2021	w.e.f - 1 Jan 2022	1 Jan 2018 - 31 Dec 2018	1 Jan 2019 - 31 Dec 2021	w.e.f - 1 Jan 2022
Disposal within 3 years after the date of acquisition	30%	30%	30%	30%	30%	30%	30%	30%	30%
Disposal within 4 years after the date of acquisition	20%	20%	20%	20%	20%	20%	30%	30%	30%
Disposal within 5 years after the date of acquisition	15%	15%	15%	15%	15%	15%	30%	30%	30%
Disposal within 6 years after the date of acquisition	NIL	5%	NIL	5%	10%	10%	5%	10%	10%

Remarks:

- RPGT is a form of Capital Gain Tax where property disposers have to pay when disposing their properties in Malaysia where in short, the seller will need to pay RPGT aka the tax upon profit had been made and if no RPGT if making a loss.

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2. For Malaysia, the appointed Solicitor (lawyer) will be doing on behalf the Seller and completion of Sales and Purchase Agreement.

3. Methodology of Calculation:

i. Chargeable Gain= Selling Price- Purchase Price- Cost of Selling;

ii. Net Chargeable Gain= Chargeable Gain- Exemption Waiver;

iii. RPGT Tax Payable= Net Chargeable Gain X RPGT Rate (based on holding years).

4. RPGT Exemptions (Tax Relief):

i. Malaysian citizens or PR in disposing of a private residential (dwelling purpose only) in once in a lifetime;

ii. Disposal of Property between family members (Parents to children, between spouses and citizen grandparents to grandchildren);

iii. Exemption of an amount equal to 10% of taxable profits per transacted price is not taxable;

iv. SPA on or after 01st June 2020 till 31st Dec 2021 and stamp duty by or before 31st Jan 2022.

5. Please connect with your appointed Lawyer for further clarification as the written article by Dr. CK Chong is cater for general referencing purpose.

Reference:

<https://www.hasil.gov.my/en/rpgt/real-property-gains-tax-rpgt-rates/>