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JAWATANKUASA PEGUAM PULAU PINANG PENANG BAR COMMITTEE

CPC 25/20

16 Oct 2020

To Members of the Penang Bar,

Update 2: Home Ownership Campaign and Stimulus Measures for the Property Sector 2020 for the State of Penang - Waiver of 2% Fee for Disposal of Properties within 3 years from Date of Acquisition

We have received an e-mail notification dated 15 Oct 2020 from the Registration Department of the Penang Office of Lands and Mines ("PTG Penang") which informed us of the following:

The Penang State Executive Council Bil. 26/2020 dated 22 Jul 2020 approved an additional incentive as part of the ongoing Home Ownership Campaign (HOC) and Stimulus Measures for the Property Sector 2020 for the State of Penang whereby there will be a waiver of the 2% Fee for disposal of properties within 3 years from the date of acquisition (i.e. based on date of signing the sale and purchase agreement).

The summary of the State Executive Council's decision is as follows:

- i. The 2% Fee waiver is for properties acquired and held for three (3) years from the date of signing the sale and purchase agreement;
- ii. The waiver is limited to one (1) property only for any individual/company; and
- iii. The applicable waiver period shall coincide with the time period for the Stimulus Measures for the Property Sector 2020 for the State of Penang which runs from 10 Jun 2020 until 9 Jun 2021.

The Subcommittee will be writing to PTG Penang for further information on the waiver and to seek clarification on other related and incidental issues, for example:

- a) Whether Vendors who have already paid the 2% Fee during the waiver period will be entitled to a refund.
- b) If Vendors are entitled to a refund, what would be the applicable time period for issuance of the refund by PTG Penang.
- c) Are foreigners who purchase properties through sub-sales entitled to a 3% approval fee waiver as we were previously notified by PTG Penang (via their letter dated 17 Jul 2020 enclosed in our Circular CPC 22/20) that the HOC applies to foreigners who purchase properties directly from the developers.

Members are therefore advised to take note of the above information. We will provide further updates as and when we receive the relevant information from PTG Penang.

Zemilah Mohd Noor
Chairperson
Conveyancing Practice Subcommittee