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FINANCE (NO. 2) ACT 1982

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LAWS OF MALAYSIA**Act 274****FINANCE (NO. 2) ACT 1982**

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LAWS OF MALAYSIA

Act 274

FINANCE (NO. 2) ACT 1982

An Act to amend the Income Tax Act 1967 [*Act 53*], the *Petroleum (Income Tax) Act 1967 [*Act 45 of 1967*], the **Stamp Ordinance 1949 [*Ord. No. 59 of 1949*], the Stamp Ordinance (Sabah) [*Cap. 137*], the Stamp Ordinance (Sarawak) [*Cap. 32*] and the Sales Tax Act 1972 [*Act 64*] and to provide for matters connected therewith.

[]

BE IT ENACTED by the Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

CHAPTER I

PRELIMINARY

Short title and commencement

1. This Act may be cited as the Finance (No. 2) Act 1982 and shall have effect or be deemed to have effect as provided in this Act.

Amendment of Acts and Ordinances

2. The Income Tax Act 1967, the Petroleum (Income Tax) Act 1967, the **Stamp Ordinance 1949, the Stamp Ordinance (Sabah), the Stamp Ordinance (Sarawak) and the Sales Tax Act 1972 are amended respectively in the manner specified in Chapters II, III, IV, V, VI and VII respectively.

*NOTE—The Petroleum (Income Tax) Act 1967 [*Act 45 of 1967*] has been revised to become the Petroleum (Income Tax) Act 1967 [*Act 543*]

**The Stamp Ordinance 1949 [*Ord. No. 59 of 1949*] has been revised to become the Stamp Act 1949 [*Act 378*].

CHAPTER II

AMENDMENTS TO THE INCOME TAX ACT 1967

Commencement of amendments to the Income Tax Act 1967

3. (1) Except for sections 4, 5, 6, 7, 8, 9, 10, 11, 12, 14 and paragraph 15(a), the provisions of this Chapter shall have effect for the year of assessment 1983 and subsequent years of assessment.

(2) Sections 4, 5, 6 and 14 shall have effect for the year of assessment 1984 and subsequent years of assessment.

(3) Sections 7, 8, 9, 10, 11 and 12 shall come into force on 1 January 1983.

(4) Paragraph 15(a) shall have effect on those cases whose approval for retirement is given on or after 22 October 1982.

Amendment of section 34

4. Section 34 of the Income Tax Act 1967, which in this Chapter is referred to as “the principal Act”, is amended by deleting subsection (7).

New section 34A

5. The principal Act is amended by inserting immediately after section 34 the following new section 34A:

“Special deduction for research expenditure approved by Minister

34A. (1) In ascertaining the adjusted income of a person from a business for the basis period for a year of assessment, deductions shall be made from the gross income from the business for that period in respect of expenditure, not being capital expenditure incurred on plant, machinery, fixtures, land, premises, buildings, structures or works of a permanent nature or on alterations, additions or extensions thereof or in the acquisition of any rights in or over any property, incurred by that person during that period on research approved by the Minister.

(2) The Minister in approving the research shall allow a further deduction of one third of the amount of expenditure on research in addition to the deduction under subsection (1) and may impose such conditions as he thinks fit or may specify the period for the purpose of deduction under this section.

(3) Where any deduction in respect of expenditure on research is made under this section, no deduction in respect of that expenditure shall be made under section 33 or 34.”.

Amendment of section 35

6. Section 35 of the principal Act is amended by substituting for the words “and 34” in subsection (2) the words “, 34 and 34A”.

Amendment of section 39

7. Subsection 39(1) of the principal Act is amended—

(a) by deleting the word “or” appearing at the end of paragraph (g);

(b) by substituting for the full stop at the end of paragraph (h) a semi-colon and the word “or”; and

(c) by inserting immediately after paragraph (h) the following new paragraph (i):

“(i) any contract payment from which tax is deductible under section 107A, if tax has not been deducted therefrom and paid to the Director General in accordance with subsection (1) of that section.”.

Amendment of section 67

8. Section 67 of the principal Act is amended by inserting immediately before the figures “108” in subsection (4) the figures “107A,”.

Amendment of section 103

9. Section 103 of the principal Act is amended by inserting immediately before the figures “108(5)” in subsection (7) the words “107A(2) or”.

Amendment of section 104

10. Subsection 104(1) of the principal Act is amended by inserting immediately before the figures “109(2)” in paragraph (c) the words “107A(2) or”.

New section 107A

11. The principal Act is amended by inserting immediately after section 107 the following new section 107A:

“Deduction of tax from contract payment

107A. (1) Where any person (in this section referred to as “the payer”) is liable to make contract payment to a non-resident contractor in respect of services under a contract, he shall upon paying or crediting such contract payment deduct therefrom tax at the rate of—

- (a) fifteen per cent of the contract payment on account of tax which is or may be payable by that non-resident contractor for any year of assessment; and
- (b) five per cent of the contract payment on account of tax which is or may be payable by employees of that non-resident contractor for any year of assessment,

and (whether or not that tax is so deducted) shall within one month after paying or crediting such contract payment render an account and pay the amount of that tax to the Director General:

Provided that the Director General may—

- (i) give notice in writing to the payer requiring him to deduct and pay tax at some other rates or to pay or credit the contract payment without deduction of tax; or
- (ii) under special circumstances, allow extension of time for tax deducted to be paid over.

(2) Where the payer fails to pay any amount due from him under subsection (1), the amount which he fails to pay shall be a debt due from him to the Government and shall be payable forthwith to the Director General.

(3) Where in pursuance of this section any amount is paid to the Director General by the payer or recovered by the Director General from the payer—

- (a) the Director General shall apply the amount paid or recovered under paragraph (1)(a) towards payment of the tax payable for any year of assessment by the non-resident contractor to whom the payer was liable to pay the contract payment to which that amount relates;
- (b) the Director General shall refund the amount paid or recovered under paragraph (1)(b) to the non-resident contractor to whom the payer was liable to pay the contract payment to which that amount relates as and when the Director General deems appropriate; and
- (c) if the payer has not deducted any amount in paying the contract payment with respect to which the amount relates, he may recover the amount from the non-resident contractor as a debt due to the payer.

(4) In relation to any case, nothing in paragraph (1)(b) shall prevent the deduction of any tax (not being tax deducted in accordance with this subsection) in accordance with section 107.

(5) In this section—

“contract payment” means any payment, not being a payment that is a royalty within the meaning of subsection 2(1) made for services under a contract to the non-resident contractor or his agent or any other person acting on his behalf;

“contract project”, in relation to any non-resident contractor, includes any undertaking, project or scheme, being an undertaking, project or scheme carried on, carried out or performed in Malaysia;

“non-resident contractor” means any person who is not resident in Malaysia within the meaning of section 7 or 8 and who, under a contract or a subsidiary contract (not being a contract of service or apprenticeship) or an agreement or arrangement undertakes (otherwise than as an employee) any services under a contract;

“person” includes a partnership;

“professional service”, in relation to any non-resident contractor, includes any advisory, consultancy, technical, industrial, commercial or scientific service;

“services under a contract” in relation to any non-resident contractor, means—

- (a) the performing or rendering of any work or professional service in Malaysia, being work or professional service in connection with, or in relation to, any contract project; or
- (b) the granting, providing or supplying of the use, or the right to use, in Malaysia (whether or not in connection with or in relation to any contract project), any personal property or any services of any person being a person other than the non-resident contractor.”.

Amendment of section 127

12. Section 127 of the principal Act is amended by inserting immediately before the figures “108” appearing twice in subsection (5) the figures “107A,”.

Amendment of section 128

13. Section 128 of the principal Act is amended by inserting immediately before the words “or as a result of taking up a new employment” in paragraph (1)(b) the words “or as a result of being transferred by his employer temporarily outside Malaysia”.

Amendment of Schedule 3

14. Schedule 3 to the principal Act is amended by inserting immediately after paragraph 37A the following new paragraph 37B:

“Qualifying expenditure: Building used for research

37B. The provisions of this Schedule relating to industrial building shall apply, *mutatis mutandis*, to a building or part thereof being in use for the purpose of research approved by the Minister within the meaning of section 34A; and in such application the reference to capital expenditure incurred on the construction of a building or part thereof shall include any capital expenditure incurred on the alteration or renovation of rented premises for the purpose of carrying on therein such research.”.

Amendment of Schedule 6

- 15.** Part I of Schedule 6 to the principal Act is amended—
- (a) by inserting immediately after paragraph 25 the following new paragraph 25A:
“**25A.** Sums received by way of gratuity paid out of public funds on retirement from an employment under any written law.”; and
 - (b) by inserting immediately after the words “specified under any written law” appearing in paragraph 30 the words “or if the Director General is satisfied that the retirement was due to ill-health”.

Amendment of Schedule 7A

- 16.** Schedule 7A to the principal Act is amended by substituting for the word “four” in paragraph 2(b) the word “seven”.

CHAPTER III

AMENDMENTS TO THE PETROLEUM (INCOME TAX)
ACT 1967

Commencement of amendments to the Petroleum (Income Tax) Act 1967

17. (1) The provisions of this Chapter, except paragraph 18(b), shall have effect for the year of assessment 1981 and subsequent years of assessment.

(2) Paragraph 18(b) shall come into force on 1 January 1983.

Amendment of section 18

18. Paragraph 18(1)(h) of the Petroleum (Income Tax) Act 1967, which in this Chapter is referred to as the “principal Act”, is amended—

- (a) by inserting immediately after the word “interest” the words “or royalty”; and

- (b) by inserting immediately after the words “from Malaysia” the words “or contract payment to a non-resident contractor”.

Amendment of section 65A

19. Section 65A of the principal Act is amended—

- (a) by inserting immediately after subsection (2) the following new subsection (3):

“(3) Any arrangements to which effect is given under this section may include—

- (a) provision for relief from tax with respect to any person of any particular class;
- (b) provision as to income which is not itself subject to double taxation; and
- (c) provision for exempting from tax any person or any person of any particular class or of exempting from tax (wholly or in part) the income of any person or any person of any particular class.”; and

- (b) by renumbering the existing subsections (3) and (4) as the new subsections (4) and (5) respectively.

CHAPTER IV

AMENDMENTS TO THE STAMP ORDINANCE 1949

Commencement of amendments to the Stamp Ordinance 1949

20. The provisions of this Chapter shall come into force on 1 January 1983.

Amendment of section 16

21. Section 16 of the Stamp Ordinance 1949, which in this Chapter is referred to as “the Ordinance”, is amended by deleting the words “, not being a settlement,” in subsection (1).

New section 20A

22. The Ordinance is amended by inserting immediately after section 20 the following new section 20A:

“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.”

Amendment of First Schedule

23. The First Schedule to the Ordinance is amended—

- (a) by deleting items 1, 8, 9, 11, 14, 15, 16, 26, 28, 33, 44, 54, 55, 62, 63, 72, 79 and 80;
- (b) in item 2:
 - (i) by substituting for the amount “RM2.00” the amount “RM5.00”;
 - (ii) by deleting the word “or” at the end of Exemption (vii);
 - (iii) by substituting for the full stop at the end of Exemption (viii) the word “; or”; and
 - (iv) by inserting immediately after Exemption (viii) the following new Exemption (ix):
 - “(ix) pursuant to any statute requirement or in accordance with the directions of any Government Department or Agency.”;

- (c) in item 4:
- (i) by substituting for the amount “RM1.00” the amount “RM3.00”;
 - (ii) by substituting for the amount “RM50” wherever it appears the amount “RM300”;
- (d) by inserting immediately after the words “*See Conveyance on Sale*” in item 5 the words “and sections 19 and 22”;
- (e) by substituting for the amount “RM5.00” in item 6 the amount “RM10.00”;
- (f) by substituting for the words “The same as a deed” in item 10 the amount “RM100.00”;
- (g) by substituting for the amount “25 sen” in item 17 the amount “RM1.00”;
- (h) by substituting for the amount “RM5.00” in item 18 the amount “RM1.00”;
- (i) (i) by substituting for the amount “RM5.00” in sub-item 22(2)(a) the amount “RM10.00”;
- (ii) by deleting the words “For every RM100 and also for any fractional part of RM100 of the annuity” in sub-item 22(3); and
 - (iii) by substituting for the amount “25 sen” in sub-item 22(3) the amount “RM10.00”;
- (j) by substituting for the words “When the penalty or amount secured does not exceed RM500 the same duty as a charge or mortgage for the penalty or amount secured. When the penalty or amount exceeds RM500, RM2” in item 23 the amount “RM10.00”;
- (k) in item 24:
- (i) by inserting immediately after the words “obtaining letters of administration” the words “where the estate exceeds RM50,000”;
 - (ii) by deleting sub-items (a) and (b);
 - (iii) by inserting the amount “RM10.00” under the heading ‘Proper Stamp Duty’; and

- (iv) by substituting for the amount “RM10,000” in the Exemption the amount “RM50,000”;
- (l) by substituting for the amount “RM5.00” in item 25 the amount “RM10.00”;
- (m) (i) by substituting for the words “One-quarter” in sub-item 27(e) the words “Two-fifths”; and
 - (ii) by substituting for the amount “RM2.00” in sub-item 27(g) the amount “RM10.00”;
- (n) by substituting for the amount “10” in item 29 the amount “15”;
- (o) in item 32:
 - (i) by deleting sub sub-items (b)(i) and (ii);
 - (ii) by inserting the amount “30 sen” under the heading ‘Proper Stamp Duty’ in sub-item (b);
 - (iii) by substituting for the amount “RM5.00” in sub sub-items (e)(ii), (f) and (i) the amount “RM10.00”; and
 - (iv) by deleting sub-item (a) of the Exemptions and renumbering sub-items (b) and (c) as sub-items (a) and (b) respectively;
- (p) by substituting for the amount “RM2.00” appearing twice in item 34 the amount “RM10.00”;
- (q) by substituting for the words “The same duty as a conveyance on sale for a consideration equal to the value of the property of greater value.” in item 43 the following:
 - “(a) In the case specified 20A: *See* that section
in section
 - (b) In any other case: RM10.00.”;
- (r) by inserting immediately after the words “*See* Bond” in item 47 the words “(item 23)”;
- (s) (i) by substituting for the amount “RM5.00” in sub sub-item 49(1)(d) the amount “RM10.00”;
- (ii) by substituting for the amount “RM1.00” in sub sub-item 49(1)(e) the amount “RM10.00”;

- (iii) by inserting immediately after the word “LEASE” in sub-item 49(2) the words “OR AGREEMENT FOR LEASE”; and
- (iv) by substituting for the word “ten” in the Exemption to item 49 the words “two hundred”;
- (t) by substituting for the amount “50 sen” in item 50 the amount “RM2.00”;
- (u) by substituting for the amount “20 sen” in item 51 the amount “RM1.00”;
- (v) by substituting for the words “The same duty as a deed.” in item 53 the amount “RM100.00”;
- (w) by substituting for the amount “RM10.00” in item 56 the words “See Exchange”;
- (x)
 - (i) by deleting sub sub-items 57(a)(i) and (ii); and
 - (ii) by inserting the amount “RM10.00” under the heading of ‘Proper Stamp Duty’ of sub-item 57(a);
- (y)
 - (i) by substituting for sub-item 58(1) the following:
 - “(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 RM2.00
 - (b) For policies containing a continuation clause, additional duty RM2.00

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.”;

- (ii) by substituting for the amount “RM1.00” in sub-item 58(2) the amount “RM2.00”;
- (iii) by substituting for the amount “50 sen” in sub-item 58(3) the amount “RM2.00”;
- (iv) by deleting the words “For every RM1,000 insured or part thereof” in sub-item 58(4);
- (v) by substituting for the amount “10 sen” in sub-item 58(4) the amount “RM10.00”;
- (vi) by substituting for the amount “25 sen” in sub-item 58(5) the amount “RM2.00”;
- (vii) by substituting for the amounts “RM1.00” and “50 sen” in sub-item 58(6) the amount “RM2.00”;
- (viii) by substituting for the amount “RM1.00” in sub-item 58(7) the amount “RM2.00”;
- (ix) by deleting the words “For every RM1,000 insured or part thereof” appearing in sub-item 58(8); and
- (x) by substituting for the amount “20 sen” in sub-item 58(8) the amount “RM2.00”;

(z) in item 59:

- (i) by substituting for the word “OF” after the word “POWER” the word “OR”;
- (ii) by inserting the amount “RM10.00” under the heading of ‘Proper Stamp Duty’;
- (iii) by deleting the whole of sub-items (a), (b) and (c); and
- (iv) by inserting immediately after item 59 the following new Exemption:

“
Exemption

For the sole purpose of appointing or authorizing any person to vote as proxy at a meeting of a Company or Association.”;

- (aa) by substituting for the words “20 sen for every RM100 or for every fractional part of RM100 of the amount or value of the money for which the note is made” in sub-item 60(b) the amount “RM1.00”;

(bb) in item 65:

- (i) by inserting the words “same duty as charge itself but subject to a maximum of RM10.00.” under the heading of ‘Proper Stamp Duty’; and
- (ii) by deleting the whole of sub-items (a), (b) and (c);

(cc) (i) by adding immediately after the word “RELEASE” in item 66 the words “OR RENUNCIATION”; and

- (ii) by substituting for the amount “RM5.00” in sub-item 66(d) the amount “RM10.00”;

(dd) in item 69:

- (i) by inserting immediately after the word “SETTLEMENT” the words “being an Instrument of Settlement or Agreement for a Settlement”;
- (ii) by inserting the words “See section 16 and item 32: Conveyance” under the heading ‘Proper Stamp Duty’; and
- (iii) by deleting sub-items (1) and (2);

(ee) by substituting for the amount “RM1.00” in item 70 the amount “RM2.00”;

(ff) by substituting for the words “SHARE WARRANT issued under the provisions of the Companies Act 1965, or STOCK CERTIFICATE to bearer” in item 71 the words “SHARE WARRANT OR STOCK CERTIFICATE to bearer”;

(gg) by substituting for the amount “RM5.00” appearing twice in item 75 the amount “RM10.00”; and

(hh) by substituting for the amount “50 sen” in item 78 the amount “RM3.00”.

Amendment of Second Schedule

24. The Second Schedule to the Ordinance is amended—

(a) by inserting immediately after item 1 the following new item 1A:

“1A.	AFFIDAVIT, STATUTORY DECLARATION, <i>etc.</i> —No. 2	The Commissioner for Oaths.”; and
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(b) by deleting items 4, 7, 10, 11, 13 and 16.

Amendment of Third Schedule

25. The Third Schedule to the Ordinance is amended by deleting item 6.

CHAPTER V

AMENDMENTS TO THE STAMP ORDINANCE (SABAH)

Commencement of amendments to the Stamp Ordinance (Sabah)

26. The provisions of this Chapter shall come into force on 1 January 1983.

New section 5A

27. The Stamp Ordinance (Sabah), which in this Chapter is referred to as “the Ordinance”, is amended by inserting immediately after section 5 the following new section 5A:

“Loan for the purposes of small business

5A. Every instrument being the only or principal or primary security for the payment or repayment of a loan to a small business shall be indorsed by an authority approved by the Minister of Finance that the loan was made for the purposes of a small business.”.

Amendment of section 16

28. Section 16 of the Ordinance is amended by deleting the words “, not being a settlement,” in subsection (1).

New section 20A

29. The Ordinance is amended by inserting immediately after section 20 the following new section 20A:

“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 effected 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.”.

Amendment of First Schedule

30. The First Schedule to the Ordinance is amended—

(a) by deleting items 1, 8, 9, 11, 14, 15, 16, 26, 28, 33, 44, 54, 55, 62, 63, 72, 79 and 80;

(b) in item 2:

- (i) by substituting for the amount “RM2.00” the amount “RM5.00”;
- (ii) by deleting the word “or” appearing at the end of Exemption (vii);
- (iii) by substituting for the full stop appearing at the end of Exemption (viii) the word “; or”; and
- (iv) by inserting immediately after Exemption (viii) the following new Exemption (ix):
 - “(ix) pursuant to any statute requirement or in accordance with the directions of any Government Department or Agency.”;

(c) in item 4:

- (i) by substituting for the amount “RM1.00” the amount “RM3.00”; and
- (ii) by substituting for the amount “RM50” wherever it appears the amount “RM300”;

- (d) by inserting immediately after the words “See Conveyance on Sale” in item 5 the words “and sections 19 and 22”;
- (e) by substituting for the amount “RM5.00” in item 6 the amount “RM10.00”;
- (f) by substituting for the words “The same as a deed” in item 10 the amount “RM100.00”;
- (g) by substituting for the amount “25 sen” in item 17 the amount “RM1.00”;
- (h) by substituting for the amount “RM5.00” in item 18 the amount “RM1.00”;
- (i) (i) by substituting for the amount “RM5.00” in sub sub-item 22(2)(a) the amount “RM10.00”;
- (ii) by deleting the words “For every RM100 and also for any fractional part of RM100 of the annuity” in sub-item 22(3); and
- (iii) by substituting for the amount “25 sen” in sub-item 22(3) the amount “RM10.00”;
- (j) by substituting for the words “When the penalty or amount secured does not exceed RM500 the same duty as a charge or mortgage for the penalty or amount secured. When the penalty or amount exceeds RM100, RM2” in item 23 the amount “RM10.00”;
- (k) in item 24:
 - (i) by inserting immediately after the words “obtaining letters of administration” the words “where the estate exceeds RM50,000”;
 - (ii) by deleting sub-items (a) and (b);
 - (iii) by inserting the amount “RM10.00” under the heading ‘Proper Stamp Duty’; and
 - (iv) by substituting for the amount “RM10,000” in the Exemption the amount “RM50,000”;
- (l) by substituting for the amount “RM5.00” in item 25 the amount “RM10.00”;

- (m) (i) by renumbering sub-item 27(a) as sub sub-item 27(a)(i);
- (ii) by inserting after sub sub-item 27(a)(i) the following new sub sub-item 27(a)(ii):
- “(ii) Being instruments under section 5A—
- | | | |
|---|--------|---|
| Not exceeding RM250,000
of the aggregate loans in a
calendar year | | RM1.00 for
every RM1,000
or fractional
part thereof. |
| For each additional
RM1,000 or part
thereof | | RM5.00.”; |
- (iii) by substituting for the words “One-quarter” in sub-item 27(e) the words “Two-fifths”; and
- (iv) by substituting for the amount “RM2.00” in sub-item 27(g) the amount “RM10.00”;
- (n) by substituting for the amount “10” in item 29 the amount “15”;
- (o) in item 32:
- (i) by deleting sub-items (b)(i) and (ii);
- (ii) by inserting the amount “30 sen” under the heading ‘Proper Stamp Duty’ in sub-item (b);
- (iii) by substituting for the amount “RM5.00” in sub sub-items (e)(ii), (f) and (i) the amount “RM10.00”; and
- (iv) by deleting sub-item (a) of the Exemptions and renumbering sub-items (b) and (c) as sub-items (a) and (b) respectively;
- (p) by substituting for the amount “RM2.00” appearing twice in item 34 the amount “RM10.00”;
- (q) by substituting for the words “The same duty as a conveyance on sale for a consideration equal to the value of the property of greater value.” in item 43 the following:
- | | |
|--|---------------------|
| “(a) In the case specified in
section 20A | See that
section |
| (b) In any other case : | RM10.00.”; |

(r) by inserting immediately after the words “See Bond” in item 47 the words “(item 23)”;

(s) (i) by substituting for sub sub-item 49(1)(a) the following:

	<i>When the lease is for a period</i>		
	<i>Not exceeding one year</i>	<i>Exceeding one but not exceeding three years</i>	<i>Exceeding three years or for any indefinite period</i>
(a) Without fine or premium when the average rent calculated for a whole year			

(i) Does not exceed RM2,400	Nil	Nil	Nil
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(ii) For every RM250 or part thereof in excess of RM2,400	RM1.00	RM2.00	RM4.00.”;
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(ii) by substituting for the amount “RM5.00” in sub sub-item 49(1)(d) the amount “RM10.00”;

(iii) by substituting for the amount “RM1.00” in sub sub-item 49(1)(e) the amount “RM10.00”;

(iv) by inserting immediately after the word “LEASE” in sub-item 49(2) the words “OR AGREEMENT FOR LEASE”;

and

(v) by substituting for the word “ten” in the Exemption of item 49 the words “two hundred”;

(t) by substituting for the amount “50 sen” in item 50 the amount “RM2.00”;

(u) by substituting for the amount “20 sen” in item 51 the amount “RM1.00”;

(v) by substituting for the words “The same duty as a deed.” in item 53 the amount “RM100.00”;

(w) by substituting for the amount “RM10.00” in item 56 the words “See Exchange”;

(x) (i) by deleting sub sub-items 57(a)(i) and (ii); and

(ii) by inserting the amount “RM10.00” under the heading of “Proper Stamp Duty” of sub-item 57(a);

(y) (i) by substituting for sub-item 58(1) the following:

- “(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 RM2.00
- (b) For policies containing a continuation clause, additional duty RM2.00

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.”;

- (ii) by substituting for the amount “RM1.00” in sub-item 58(2) the amount “RM2.00”;
- (iii) by substituting for the amount “50 sen” in sub-item 58(3) the amount “RM2.00”;
- (iv) by deleting the words “For every RM1,000 insured or part thereof” in sub-item 58(4);
- (v) by substituting for the amount “10 sen” in sub-item 58(4) the amount “RM10.00”;
- (vi) by substituting for the amount “25 sen” in sub-item 58(5) the amount “RM2.00”;
- (vii) by substituting for the amounts “RM1.00” and “50 sen” in sub-item 58(6) the amount “RM2.00”;
- (viii) by substituting for the amount “RM1.00” in sub-item 58(7) the amount “RM2.00”;

(ix) by deleting the words “For every RM1,000 insured or part thereof” in sub-item 58(8); and

(x) by substituting for the amount “20 sen” in sub-item 58(8) the amount “RM2.00”;

(z) in item 59:

(i) by substituting for the word “OF” appearing after the word “POWER” the word “OR”;

(ii) by inserting the amount “RM10.00” under the heading of ‘Proper Stamp Duty’;

(iii) by deleting the whole of sub-items (a), (b) and (c); and

(iv) by inserting immediately after item 59 the following new Exemption:

“ *Exemption*

For the sole purpose of appointing or authorizing any person to vote as proxy at a meeting of a Company or Association.”;

(aa) by substituting for the words “20 sen for every RM100 or for every fractional part of RM100 of the amount or value of the money for which the note is made” in sub-item 60(b) the amount “RM1.00”;

(bb) in item 65:

(i) by inserting the words “same duty as charge itself but subject to a maximum of RM10.00.” under the heading of ‘Proper Stamp Duty’ and

(ii) by deleting the whole of sub-items (a), (b) and (c);

(cc) (i) by adding immediately after the word “RELEASE” in item 66 the words “OR RENUNCIATION”; and

(ii) by substituting for the amount “RM5.00” in sub-item 66(d) the amount “RM10.00”;

(dd) in item 69:

(i) by inserting immediately after the word “SETTLEMENT” the words “being an Instrument of Settlement or Agreement for a Settlement”;

- (ii) by inserting the words “*See* section 16 and subitem 32: Conveyance” under the heading ‘Proper Stamp Duty’; and
- (iii) by deleting sub-items (1) and (2);
- (*ee*) by substituting for the amount “RM1.00” in item 70 the amount “RM2.00”;
- (*ff*) by substituting for the words “SHARE WARRANT issued under the provisions of the Companies Act 1965, or STOCK CERTIFICATE to bearer” in item 71 the words “SHARE WARRANT OR STOCK CERTIFICATE to bearer”;
- (*gg*) by substituting for the amount “RM5.00” appearing twice in item 75 the amount “RM10.00”; and
- (*hh*) by substituting for the amount “50 sen” in item 78 the amount “RM3.00”.

Amendment of Second Schedule

31. The Second Schedule to the Ordinance is amended—

(*a*) by inserting immediately after item 1 the following new item 1A:

“1A. AFFIDAVIT, STATUTORY The Commissioner
DECLARATION, *etc.*—No. 2 for Oaths.”; and

(*b*) by deleting items 4, 7, 10, 11, 13 and 16.

Amendment of Third Schedule

32. The Third Schedule to the Ordinance is amended by deleting item 6.

CHAPTER VI

AMENDMENTS TO THE STAMP ORDINANCE (SARAWAK)

Commencement of amendments to the Stamp Ordinance (Sarawak)

33. The provisions of this Chapter shall come into force on 1 January 1983.

New sections 3A and 3B

34. The Stamp Ordinance (Sarawak), which in this Chapter is referred to as “the Ordinance”, is amended by inserting immediately after section 3 the following new sections 3A and 3B:

“Loan for the purposes of small business

3A. Every instrument being the only or principal or primary security for the payment or repayment of a loan to a small business shall be indorsed by an authority approved by the Minister of Finance that the loan was made for the purposes of a small business.

Exchange of real property

3B. 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 effected 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 a duty of fifty sen only.”.

Amendment of First Schedule

35. The First Schedule to the Ordinance is amended—

- (a) by deleting items 1, 8, 9, 11, 14, 15, 16, 26, 28, 33, 44, 54, 55, 62, 63, 72, 79 and 80;
- (b) in item 2:
 - (i) by substituting for the amount “RM2.00” the amount “RM5.00”;
 - (ii) by deleting the word “or” appearing at the end of Exemption (vii);

- (iii) by substituting for the full stop at the end of Exemption (viii) the word “; or”; and
- (iv) by inserting immediately after Exemption (viii) the following new Exemption (ix):
 - “(ix) pursuant to any statute requirement or in accordance with the directions of any Government Department or Agency.”;
- (c) in item 4:
 - (i) by substituting for the amount “RM1.00” the amount “RM3.00”; and
 - (ii) by substituting for the amount “RM50” wherever it appears the amount “RM300”;
- (d) by inserting immediately after the words “*See Conveyance on Sale*” in item 5 the words “and sections 19 and 22”;
- (e) by substituting for the amount “RM5.00” in item 6 the amount “RM10.00”;
- (f) by substituting for the words “The same as a deed” in item 10 the amount “RM100.00”;
- (g) by substituting for the amount “25 sen” in item 17 the amount “RM1.00”;
- (h) by substituting for the amount “RM5.00” in item 18 the amount “RM1.00”;
- (i) (i) by substituting for the amount “RM5.00” in sub-item 22(2)(a) the amount “RM100”;
- (ii) by deleting the words “for every RM100 and also for any fractional part of RM100 of the annuity” in sub-item 22(3); and
- (iii) by substituting for the amount “25 sen” in sub-item 22(3) the amount “RM10.00”;
- (j) by substituting for the words “When the penalty or amount secured does not exceed RM500 the same duty as a charge or mortgage for the penalty or amount secured. When the penalty or amount exceeds RM500, RM2” in item 23 the amount “RM10.00”;

(k) in item 24:

- (i) by inserting immediately after the words “obtaining letters of administration” the words “where the estate exceeds RM50,000”;
- (ii) by deleting sub-items (a) and (b);
- (iii) by inserting the amount “RM10.00” under the heading ‘Proper Stamp Duty’; and
- (iv) by substituting for the amount “RM10,000” in the Exemption the amount “RM50,000”;

(l) by substituting for the amount “RM5.00” in item 25 the amount “RM10.00”;

- (m) (i) by renumbering sub-item 27(a) as sub sub-item 27(a)(i);
- (ii) by inserting after sub sub-item 27(a)(i) the following new sub sub-item 27(a)(ii):

“(ii) Being instruments under section 3A—

Not exceeding RM250,000 of the aggregate loans in a calendar year	RM1.00 for every RM1,000 or fractional part thereof.
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For each additional RM1,000 or part thereof	RM5.00.”;
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(iii) by substituting for the words “One-quarter” in sub-item 27(e) the words “Two-fifths”; and

(iv) by substituting for the amount “RM2.00” in sub-item 27(g) the amount “RM10.00”;

(n) by substituting for the amount “10” in item 29 the amount “15”;

(o) in item 32:

- (i) by deleting sub sub-items (b)(i) and (ii);
- (ii) by inserting the amount “30 sen” under the heading ‘Proper Stamp Duty’ in sub-item (b);
- (iii) by substituting for the amount “RM5.00” in sub sub-items (e)(ii), (f) and (i) the amount “RM10.00”; and

- (iv) by deleting sub-item (a) of the Exemptions and renumbering subitems (b) and (c) as sub-items (a) and (b) respectively;
- (p) by substituting for the amount “RM2.00” appearing twice in item 34 the amount “RM10.00”
- (q) by substituting for the words “The same duty as a conveyance on sale for a consideration equal to the value of the property of greater value.” in item 43 the following:
- | | | | |
|--|--|-----------------|------------|
| “(a) In the case specified in section 20A: | | <i>See that</i> | |
| | | <i>section</i> | |
| (b) In any other case: | | | RM10.00.”; |
- (r) by inserting immediately after the words “*See Bond*” in item 47 the words “(item 23)”;
- (s) (i) by substituting for sub sub-item 49(1)(a) the following:
- | | | | |
|--|---------------------------------------|--|---|
| “(a) Without fine or premium when the average rent calculated for a whole year | <i>When the lease is for a period</i> | | |
| | <i>Not exceeding one year</i> | <i>Exceeding one but not exceeding three years</i> | <i>Exceeding three years or for any indefinite period</i> |
| (i) Does not exceed RM2,400 | Nil | Nil | Nil |
| (ii) For every RM250 or part thereof in excess of RM2,400 | RM1.00 | RM2.00 | RM4.00.”; |
- (ii) by substituting for the amount “RM5.00” in sub sub-item 49(1)(d) the amount “RM10.00”;
- (iii) by substituting for the amount “RM1.00” in sub sub-item 49(1)(e) the amount “RM10.00”;
- (iv) by inserting immediately after the word “LEASE” in sub-item 49(2) the words “OR AGREEMENT FOR LEASE”;
- and
- (v) by substituting for the word “ten” in the Exemption of item 49 the words “two hundred”;

- (t) by substituting for the amount “50 sen” in item 50 the amount “RM2.00”;
- (u) by substituting for the amount “20 sen” in item 51 the amount “RM1.00”;
- (v) by substituting for the words “The same duty as a deed.” in item 53 the amount “RM100.00”;
- (w) by substituting for the amount “RM5.00” wherever it appears in sub sub-items 53A (ii), (iii) and (v) the amount “RM10.00”;
- (x) by substituting for the amount “RM10.00” in item 56 the words “See Exchange”;
- (y) (i) by deleting sub sub-items 57(a)(i) and (ii); and
 - (ii) by inserting the amount “RM10.00” under the heading of “Proper Stamp Duty” of sub-item 57(a);
- (z) (i) by substituting for item 58(1) the following:

- “(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 RM2.00
- (b) For policies containing a continuation clause, additional duty RM2.00

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.”;

- (ii) by substituting for the amount “RM1.00” in sub-item 58(2) the amount “RM2.00”;
- (iii) by substituting for the amount “50 sen” in sub-item 58(3) the amount “RM2.00”;
- (iv) by deleting the words “For every RM1,000 insured or part thereof” in sub-item 58(4);
- (v) by substituting for the amount “10 sen” in sub-item 58(4) the amount “RM10.00”;
- (vi) by substituting for the amount “25 sen” in sub-item 58(5) the amount “RM2.00”;
- (vii) by substituting for the amounts “RM1.00” and “50 sen” in sub-item 58(6) the amount “RM2.00”;
- (viii) by substituting for the amount “RM1.00” in sub-item 58(7) the amount “RM2.00”;
- (ix) by deleting the words “For every RM1,000 insured or part thereof” in sub-item 58(8); and
- (x) by substituting for the amount “20 sen” in sub-item 58(8) the amount “RM2.00”;

(aa) in item 59:

- (i) by substituting for the word “OF” after the word “POWER” the word “OR”;
- (ii) by inserting the amount “RM10.00” under the heading of “Proper Stamp Duty”;
- (iii) by deleting the whole of sub-items (a), (b) and (c); and
- (iv) by inserting immediately after item 59 the following new Exemption:

“
Exemption

For the sole purpose of appointing or authorizing any person to vote as proxy at a meeting of a Company or Association.”;

- (bb) by substituting for the words “20 sen for every RM100 or for every fractional part of RM100 of the amount or value of the money for which the note is made” in sub-item 60(b) the amount “RM1.00”;

(cc) in item 65:

- (i) by inserting the words “same duty as charge itself but subject to a maximum of RM10.00” under the heading of ‘Proper Stamp Duty’; and
- (ii) by deleting the whole of sub-items (a), (b) and (c);

(dd) (i) by adding immediately after the word “RELEASE” in item 66 the words “OR RENUNCIATION”; and

- (ii) by substituting for the amount “RM5.00” in sub-item 66(d) the amount “RM10.00”;

(ee) in item 69:

- (i) by inserting immediately after the word “SETTLEMENT” the words “being an Instrument of Settlement or Agreement for a Settlement”;

- (ii) by inserting the words “See item 32: Conveyance” under the heading “Proper Stamp Duty”; and

- (iii) by deleting sub-items (1) and (2);

(ff) by substituting for the amount “RM1.00” in item 70 the amount “RM2.00”;

(gg) by substituting for the words “SHARE WARRANT issued under the provisions of the Companies Act 1965, or STOCK CERTIFICATE to bearer” in item 71 the words “SHARE WARRANT OR STOCK CERTIFICATE to bearer”;

(hh) by substituting for the amount “RM5.00” appearing twice in item 75 the amount “RM10.00”; and

(ii) by substituting for the amount “50 sen” in item 78 the amount “RM3.00”.

Amendment of Second Schedule

36. The Second Schedule to the Ordinance is amended by deleting the words “Copy or Extract the person requisitioning the same.”.

CHAPTER VII

AMENDMENTS TO THE SALES TAX ACT 1972

Commencement of amendment to the Sales Tax Act 1972

37. The provisions of this Chapter shall come into force on 1 January 1983.

Amendment of section 31

38. Section 31 of the Sales Tax Act 1972, which in this Chapter is referred to as “the principal Act”, is amended by deleting the words “who has been exempted from the provisions of subsection 13(1)”.

New section 31A

39. The principal Act is amended by inserting immediately after section 31 the following new section 31A:

“Application for deduction by licensed manufacturer

31A. (1) A licensed manufacturer may apply to the Director General, in the return furnished by him in accordance with section 19, for the deduction of such amount of sales tax paid in respect of goods purchased by him during the taxable period to which the return relates.

(2) The Director General shall allow the deduction applied under subsection (1) subject to such conditions as may be prescribed.”.

LAWS OF MALAYSIA**Act 274****FINANCE (NO. 2) ACT 1982**

LIST OF AMENDMENTS

Amending law	Short title	In force from
Act 160	Malaysian Currency (Ringgit) Act 1975	29-08-1975

LAWS OF MALAYSIA**Act 274****FINANCE (NO. 2) ACT 1982**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
Throughout the Act	Act 160	29-08-1975



