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BC Circular No. 151/2009

To All Members of Malaysian Bar

STAMP ASSESSMENT AND PAYMENT SYSTEM (“STAMPS”)

1. After a first dialogue with Lembaga Hasil Dalam Negeri (LHDN) on 17 December 2008, I informed all members in a Circular No. 001/2009 dated 8 January 2009, that LHDN will introduce STAMPS with effect from 1 January 2009, for all instruments relating to transfer of property, and with effect from 1 April 2009, for all other dutiable instruments.
2. In fact, STAMPS for all other dutiable instruments have been available since 22 May 2009 in 5 “pilot” branches of LHDN, namely, Jalan Duta, Cheras, Wangsa Maju, Kuala Lumpur and Petaling Jaya.
3. On 22 January 2009, in Circular No. 028/2009, I informed all members that the Bar Council has confirmed that there are no rules or regulations to prohibit a solicitor from making payment of stamp duty to LHDN from his client account via online FPX (Financial Process Exchange). Members were however advised to take their own precautionary and security measures to ensure that the payment will be received by LHDN and not by any other person.
4. In an attempt to fix a date for a second dialogue with LHDN on STAMPS, I had the opportunity to speak to the Director, Stamp Duty Division, Tax Operations Department in Kuala Lumpur on 26 May 2009. As a result of this telephone conversation, there is some very important information which I wish to pass on to all members of the Bar, and which cannot wait until the outcome of the second dialogue.
5. Members are to take note that, tentatively, with effect from **1 June 2009**:
 - (a) Manual adjudication of instruments relating to transfer of property will no longer be accepted from solicitors at the counter of all LHDN branches, unless under special circumstances; and

- (b) STAMPS for all other dutiable instruments will be available at all LHDN branches, apart from the 5 “pilot” branches above.
6. As an illustration, for those members who are registered users of STAMPS at a LHDN branch other than the 5 “pilot” branches, after you have logged into STAMPS, and when you choose to click on “Borang”, only one option is available, that is, “Taksiran Pindah Milik Hartanah”. After 1 June 2009, when you choose to click on “Borang”, other options like “Pindah Milik Saham”, Pindah Milik Perniagaan”, “Sekuriti”, “Sewa/Pajakan”, etc will be available for you to choose from.
7. The good news is that, STAMPS for all other dutiable instruments is merely an alternative method of stamping as members will still be able to stamp all other dutiable instruments manually, for an indefinite period and until further notice from LHDN. Nevertheless, I urge all members to use STAMPS for all other dutiable instruments, as much as possible, to prepare themselves for a day when manual stamping may be phased out totally.
8. For your information, the difference between using STAMPS and manual stamping are as follows:
- (a) If the dutiable instrument is stamped via STAMPS, a “Sijil Setem” will be issued upon payment of the stamp duty.
- (b) If the dutiable instrument is stamped manually, a “Resit” will be issued upon payment of the stamp duty.

The “Sijil Setem” or the “Resit” is to be attached to the instrument as evidence of stamping. (For an example of the Sijil Setem or the Resit, please see Bar Council Circular 001/2009 dated 8 January 2009.)

9. Members of the Bar who encounter any problem in conducting transactions under 5(a) or 5(b) above, either due to “system down” or “system upgrading” or “system maintenance”, should see the LHDN officer in charge at the relevant branch to resolve the matter by way of an alternative mode of stamping. It may be necessary for you to go beyond telephone enquiries or counter enquiries.
10. My request for an open second dialogue between LHDN and all members of the Bar has been turned down as LHDN will only meet representatives of the Bar Council at this second dialogue. Nevertheless LHDN has assured me that they will conduct briefings and provide training to users of STAMPS, at Zone or State levels

and LHDN will be doing a nation wide roadshow on STAMPS in co-operation with the office of LHDN's State Directors, sometime in July 2009.

11. Meanwhile, members of the Bar who have specific queries for the Bar Council to bring up at the second dialogue (which we are trying to fix as soon as possible) should send their queries to our officer in charge, Vinodhini Samuel at vino.bs@malaysianbar.org.my.
12. Lastly, I urge all members of the Bar to get themselves ready for e-payment, which will be the next phase of STAMPS to be introduced by LHDN very shortly.

Yours sincerely

Andrew Wong
Chair
Conveyancing Practice Committee