



## Updated Stamp Duty Audit Framework

May 2026

# Stamp Duty SAS

Pursuant to the implementation of stamp duty SAS in phases (see timeline below) effective **1 January 2026**, the **onus is now fully on taxpayers** to determine the applicability of stamp duty, submit accurate stamp duty returns electronically and ensure timely stamping.

Phase	Effective Date	Types of Instruments
1	From 1 January <b>2026</b>	Instruments or agreements in respect of <b>rental or lease, general stamping and securities</b>
2	From 1 January <b>2027</b>	Instruments in respect of <b>transfer of property ownership</b>
3	From 1 January <b>2028</b>	Instruments or agreements <b>other than the above</b> (i.e. Phases 1 and 2)

Businesses now face significantly higher exposure to stamp duty risks even where non-compliance is unintentional. With the stamp duty audit coverage period extending to preceding 3 years (and no time limitation in cases involving fraud, evasion or negligence), businesses which have not revisited their historical and current stamp duty practices may have already been exposed.

## SVDP 2026 – A Limited Window to Regularise Past Non-Compliance

For businesses with **instruments executed between 1 January 2023 to 31 December 2025** but **stamping and payment of stamp duty have not been done**, the SVDP 2026 offers critical and time-limited opportunity to regularise these instruments before the stamp duty audit intensifies.

The programme which runs from 1 January 2026 to 30 June 2026 grants **100% waiver** of late stamping penalties **provided that** stamping and full payment are completed within the programme period. This effectively allows businesses to clear up historical stamp duty exposures at no penalty cost.

With **less than 2 months remaining** before the SVDP 2026 ends, businesses which delay in action risk losing this concession entirely. Once the SVDP window closes, any unstamped or under-stamped instruments identified during a stamp duty audit will be subject to penalties and enforcement actions, in addition to the stamp duty liabilities.

# Stamp Duty Audit

When a taxpayer is selected for stamp duty audit, it does not mean that the taxpayer has committed an offence. It is therefore imperative that taxpayers understand the stamp duty audit procedures, their rights and responsibilities to ensure that the audit process can be conducted smoothly while minimising operational disruptions.



We are pleased to share the key highlights from the updated framework for your attention.

*The updated Stamp Duty Audit Framework (only available in national language) can be downloaded from the IRBM's website.*




<https://www.hasil.gov.my/media/3vufwsl0/rangka-kerja-audit-duti-setem.pdf>

## (A) Key Highlights of Updated Stamp Duty Audit Framework


Areas	Key Highlights
<p><b>(1) Method of Audit</b></p> 	<ul style="list-style-type: none"><li>▪ <b>2 methods</b> –<ul style="list-style-type: none"><li>• <b>General</b> review (desk-based audit) – Typically, this will be carried out at IRBM's offices. Taxpayers may be asked to present at IRBM's offices for interview if more details are needed.</li><li>• <b>Comprehensive</b> review (on-site visit and inspection by IRBM) – Can be carried out at taxpayer's premises, IRBM's offices or other premises / locations agreed between taxpayer and IRBM.</li></ul></li><li>▪ Taxpayers will be issued letters (i.e. <b>Letter of Notification of Audit Action</b> or <b>Letter of Audit Visit</b>) and are required to respond to the letters <b>within 14 days</b> from the date of such letters.</li></ul>
<p><b>(2) Audit Coverage Period</b></p> 	<ul style="list-style-type: none"><li>▪ <b>4 years</b> – current year and 3 preceding years.</li><li>▪ <i>Illustration - In the case of year 2026, stamp duty audit may cover year 2026 and the 3 preceding years (e.g. years 2023 to 2025).</i></li><li>▪ No time limitation in cases involving fraud, evasion or negligence.</li></ul>

## (A) Key Highlights of Updated Stamp Duty Audit Framework (Cont'd)

Areas	Key Highlights
<b>(3) Case Selection</b>	Based on risk assessment criteria and various sources of information (e.g. third party information).
<b>(4) Duration of Audit Visit</b>	<ul style="list-style-type: none"> <li>Only applicable for <b>comprehensive review</b>.</li> <li><b>1 to 4 days</b> (May be <b>extended</b> depending on factors such as volume and complexity of the instruments, type of records or level of co-operation given by the taxpayers).</li> </ul>
<b>(5) Review of Records</b>	<b>All</b> records pertaining to the executed instruments.
<b>(6) Audit Findings</b> 	<ul style="list-style-type: none"> <li><b>Letter of Audit Findings</b> will be issued.</li> <li>Taxpayers who are dissatisfied with the audit findings may discuss the findings with IRBM <b>within 14 days</b> from the date of the <b>Audit Findings Letter</b>.</li> <li>Once taxpayers are agreeable with the audit findings, <b>Notice of Assessment / Notice of Amended Assessment</b> will be issued, together with a <b>Letter of Audit Completion</b>.</li> <li>If there is no objection <b>within 14 days</b> from the date of <b>Audit Findings Letter</b>, the taxpayer will be deemed to have agreed with the audit findings.</li> </ul>
<b>(7) Completion of Audit</b>	<ul style="list-style-type: none"> <li><b>General</b> review audit case must be completed <b>within 7 working days</b> from the date of Letter of Notification and Request for Additional Documents.</li> <li><b>Comprehensive</b> review audit case must be completed <b>within 60 days</b> from the date of Letter of Audit Visit.</li> </ul>



## (A) Key Highlights of Updated Stamp Duty Audit Framework (Cont'd)

Areas	Key Highlights
<p><b>(8) Voluntary Disclosure</b></p> <p><i>[Not related to SVDP 2026]</i></p>	<ul style="list-style-type: none"> <li>▪ Taxpayers may opt for voluntary disclosure (<b>in writing</b>) for documents which are late for stamping (exceeded 3 months from stamping due date) <b>at any time prior to commencement of the stamp duty audit.</b></li> <li>▪ Only available to taxpayers who have submitted instruments for stamping via e-Duti Setem portal.</li> </ul>
<p><b>(9) Payment Procedure</b></p>	<ul style="list-style-type: none"> <li>▪ Any additional duty payable and penalty arising from the stamp duty audit must be settled <b>in full</b> (no instalment payment will be allowed) and <b>online</b> via the designated platform.</li> </ul>
<p><b>(10) Appeal</b></p> 	<ul style="list-style-type: none"> <li>▪ Taxpayers may submit a <b>Notice of Objection within 30 days</b> after the date of <b>Notice of Assessment</b> or <b>Notice of Additional Assessment.</b></li> <li>▪ If taxpayer is dissatisfied with the outcome of the review of <b>Notice of Objection</b>, an appeal to the High Court may be made <b>within 21 days</b> after the taxpayer is notified of that decision.</li> </ul>
<p><b>(11) Penalty Provisions</b></p>	<ul style="list-style-type: none"> <li>▪ See <b>Section (B)</b></li> </ul>

## (B) Penalty Provisions

Sections under SA 1949	Offence	Penalties						
<b>47A</b>	Late stamping	<table border="1"> <thead> <tr> <th>Stamping of Instruments</th> <th>Penalties</th> </tr> </thead> <tbody> <tr> <td><b>Within three (3) months after</b> time of stamping</td> <td><b>RM50</b> or <b>10%</b> of deficient duty (whichever is <b>higher</b>)</td> </tr> <tr> <td>Any other case</td> <td><b>RM100</b> or <b>20%</b> of deficient duty (whichever is <b>higher</b>)</td> </tr> </tbody> </table>	Stamping of Instruments	Penalties	<b>Within three (3) months after</b> time of stamping	<b>RM50</b> or <b>10%</b> of deficient duty (whichever is <b>higher</b> )	Any other case	<b>RM100</b> or <b>20%</b> of deficient duty (whichever is <b>higher</b> )
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Any other case	<b>RM100</b> or <b>20%</b> of deficient duty (whichever is <b>higher</b> )							
<b>61</b>	Failure to set forth all facts and circumstances pertaining to an instrument truly and fully	Not less than <b>RM2,500</b> and not exceeding <b>RM50,000</b>						
<b>63</b>	Executing or signing instruments / documents which are not duly stamped	Not less than <b>RM1,000</b> and not exceeding <b>RM10,000</b>						
<b>72A</b>	Misuse of stamp certificates e.g. selling, counterfeiting, fraudulently attaching / detaching stamp certificates.	Not less than <b>RM2,500</b> and not exceeding <b>RM50,000</b>						
<b>72B</b>	Failure to keep records	Not exceeding <b>RM10,000</b>						



## (B) Penalty Provisions (Cont'd)

Sections under SA 1949	Offence	Penalties
<b>72C</b>	Failure to furnish return with the instrument which is executed and chargeable with duty	<ul style="list-style-type: none"> <li>On conviction, not exceeding <b>RM10,000</b>.</li> <li>In the event of no prosecution, not less than <b>RM200</b> and not exceeding <b>RM2,000</b>.</li> </ul>
<b>72D</b>	Incorrect return	<ul style="list-style-type: none"> <li>On conviction, not less than <b>RM1,000</b> and not exceeding <b>RM10,000</b> and a special penalty equals to the amount of duty undercharged.</li> <li>In the event of no prosecution, penalty equals to the amount of duty undercharged.</li> </ul>
<b>74</b>	Fraud in relation to stamp duty	Not less than <b>RM1,000</b> and not exceeding <b>RM20,000</b>
<b>74B</b>	Leaving Malaysia without payment of duty	Not exceeding <b>RM5,000</b>

## (C) What Businesses Should Do?

Immediate Actions	Practical Considerations (Not Exhaustive)
<p>(1) Undertake a <b>comprehensive stamp duty compliance review / health check</b></p>	<ul style="list-style-type: none"> <li>▪ Review whether a centralised contract register is in place to keep track of all business agreements / contracts (including instruments executed by different business units or overseas counterparts).</li> <li>▪ Identify and assess the instruments which are subject to stamp duty.</li> <li>▪ Evaluate whether stamping has been carried out properly and within statutory timeline.</li> </ul>
<p>(2) Assess the <b>applicability of SVDP 2026</b></p>	<ul style="list-style-type: none"> <li>▪ Identify any unstamped / under-stamped instruments executed between 1 January 2023 and 31 December 2025</li> <li>▪ Quantify potential stamp duty and penalty exposure</li> <li>▪ Consider whether the SVDP remains a viable avenue to regularise affected instruments without penalties.</li> </ul>
<p>(3) <b>Embed</b> stamp duty requirements and obligations <b>into business process</b></p>	<ul style="list-style-type: none"> <li>▪ Establish or enhance workflows / SOPs to ensure all business agreements / contracts were properly stamped (where applicable) within the stipulated due dates.</li> <li>▪ Define stamp duty ownership and accountability clearly, whether within legal, finance, operation or tax team.</li> <li>▪ Ensure stamp duty considerations are integrated into contract approval and execution milestone.</li> </ul>
<p>(4) Prepare for <b>audit readiness</b></p>	<ul style="list-style-type: none"> <li>▪ Maintain proper documentation (including stamp certificates) to support stamping positions taken.</li> <li>▪ Ensure your stakeholders (e.g. employees involving in contracting, procurement, finance) are aware of the stamp duty obligations and non-compliance consequences.</li> <li>▪ Where uncertainties arise, consider approaching your trusted tax / legal advisors to ensure compliance under the Stamp Duty SAS.</li> </ul>



## (D) How We Can Assist

Navigating stamp duty obligations under the SAS — particularly in the context of intensified audit activity — requires more than technical knowledge. It demands a structured, practical and organisation-wide approach. Businesses facing uncertainties, legacy exposures or resource constraints may benefit from engaging experienced advisors to review existing positions, assess SVDP eligibility and support audit readiness, ensuring compliance while minimising disruption to business operations.

We have assisted businesses across industries in managing stamp duty risks and would be pleased to discuss how we can support you in this area.

## Glossary for Reference

Abbreviations / Acronyms	Descriptions
IRBM	Inland Revenue Board of Malaysia
SA 1949	Stamp Act 1949
SAS	Self-Assessment System
SOPs	Standard Operating Procedures
SVDP	Special Voluntary Disclosure Programme

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