

# Malaysia's PENJANA Stimulus Package

On June 9, 2020, Malaysia issued its fourth economic stimulus package, named the [Pelan Jana Semula Ekonomi Negara](#) (PENJANA), which is primarily aimed at helping businesses recover from the impact of the coronavirus pandemic.

## **Incentives for the property sector**

To stimulate the domestic property market, the government will reintroduce the Home Ownership Campaign (HOC). The HOC ran throughout 2019 and was designed to encourage more home ownership in the country.

Under PENJANA, the instruments of transfer and loan agreements for the purchase of a residential property valued between 300,000 ringgit (US\$70,000) to 2.5 million ringgit (US\$584,000) will be exempt from stamp duty.

This exemption of stamp duty on the instruments of transfer is limited to the first 1 million ringgit (US\$233,000) while the full stamp duty exemption is given to loan agreements.

This incentive is available for sales and purchase agreements executed between June 1, 2020 and May 31, 2021. Additionally, the property developer participating in the HOC program must provide at least 10 percent discount on the price of the property.

## **Exemption of real property gains tax**

Under this incentive, any gains arising from the disposal of residential property from June 1, 2020, to December 31, 2021, will be exempt from real property gains tax. This is limited to three residential property per individual (Malaysian citizens).

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Moreover, during the HOC period, the 70 percent margin on housing loan for a third residential property valued at 600,000 ringgit (US\$140,000) and above will be lifted, although the government has not stated by how much.