LEGAL UPDATE 2/2026

Penalty-Free Stamp Duty

What You Need to Know About SVDP 2026

AZMI FADZLY MAHA & SIM

Under the **Stamp Act 1949** ("**Act**"), taxpayers are required to submit an instrument for stamping and pay the necessary stamp duty within 30 days of execution of an instrument or 30 days from the date of receipt in Malaysia, if the instrument was executed overseas.

Failure to comply with the 30-day deadline constitutes an offence under the Act and the penalties imposed is based on the delay period as follows:

- **RM50.00 or 10%** of the deficient duty, whichever is higher, if stamped **within three (3) months** after the time for stamping; or
- **RM100.00 or 20%** of the deficient duty, whichever is higher, if stamped **after three (3) months** from the time for stamping.

Special Voluntary Disclosure Programme 2026 ("SVDP 2026")

Following the transition to a self-assessment regime, the Inland Revenue Board of Malaysia (IRB) introduced the SVDP 2026, offering a full waiver of late stamping penalties. Under this programme, all instruments executed between 1 January 2023 and 31 December 2025 are eligible for a **complete penalty waiver**, provided the outstamping duty is paid before **30 June 2026**. This programme does not apply to:

- instruments involving fraud or forgery;
- instruments executed and dated before 1 January 2023 or after 31 December 2025;
- instruments where the stamp duty and penalty has been paid in full before 1 January 2026;
- instruments submitted for stamping after 30 June 2026; and
- instruments submitted for stamping before 30 June 2026, but the stamp duty is paid after such period.

In light of the above, the SVDP 2026 offers taxpayers an opportunity to submit any unstamped instruments for stamping without incurring any penalties, provided they act before the 30 June 2026 deadline. This is especially beneficial for instruments subject to *ad valorem* stamp duty such as a share transfer Form, loan or facility agreement or any instrument of transfer where the potential penalty can be substantial. Therefore, taxpayers are encouraged to submit their stamping applications via the online *e-Duti Setem* portal as early as possible to ensure sufficient time for the IRB to issue any assessment notice (if applicable) and for the stamp duty to be paid before the program ends.

Frequently Asked Questions ("FAQ")

How do I apply for the waiver?

All applications are required to made online via *e-Duti Setem*, where the instrument must be submitted for stamping.

Do we need to submit a penalty appeal application for cases eligible for SVDP 2026?

No appeal is required. The penalty will be automatically be exempted once the stamp duty is fully paid before 30 June 2026.

If the Stamp Duty Return Form (BNDS) or the Notice of Assessment still reflects the penalty amount, will we still be exempted from paying the penalty?

The penalty amount will still be displayed on the BNDS or Notice of Assessment (where applicable). However, during the payment process, the penalty amount will be automatically waived.

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