

# Corporate & Commercial Law Update

## ▶ STAMP DUTY

Following the amendment to the First Schedule to the Stamp Act 1949 in relation to service agreements that came into effect in January 2009 which has roused the concern of industry groups, the Treasury has announced that service agreements made between September 15, 2009 and December 31, 2010 may be stamped at a maximum of RM50, the balance of the duty being remitted. Please refer to :

[http://www.treasury.gov.my/pdf/percukaian/duti\\_setem.pdf](http://www.treasury.gov.my/pdf/percukaian/duti_setem.pdf)

A copy of the announcement is also attached for easy reference. Briefly, it says that :

1. the Government will be issuing a Remission Order which will have effect from September 15, 2009, but if any agreement is liable to be stamped before the gazette notification of the Remission Order is issued, an application for ad hoc remission may be made to the Treasury under section 80(1A) of the Stamp Act 1949, addressed to:

Ketua Setiausaha Perbendaharaan  
Bahagian Analisa Cukai  
Aras 6, Blok Tengah  
Kompleks Kementerian Kewangan  
Presint 2  
62592 PUTRAJAYA  
(Attn: Setiausaha Bahagian Analisa Cukai)

2. The full ad valorem stamp duty on service agreements will apply with effect from January 1, 2011, therefore it is advisable that companies make provision for ad valorem stamp duty in their project costs.
3. To reduce the cost of stamp duty, companies are advised to segregate the cost of raw materials from the cost of services in service agreements (as stamp duty only applies to the service fees portion of the contract value).
4. Effective January 1, 2011, the approval on stamp duty remission for construction contracts, as previously announced, shall apply.

## ▶ RULINGS BY THE SECURITIES COMMISSION

The Securities Commission recently made rulings pursuant to section 33A(4) of the Securities Commission Act 1993 on the following:

- (a) a Selective Capital Reduction (SCR) Proposal; and
- (b) the application of the Malaysian Code on Take-overs and Mergers 1998 in relation to making announcements on competing offers.

Attached hereto is a copy of the rulings, which is self-explanatory.