Stamp Duty Treatment for Instruments under the Exemption and General Exemptions Categories

Instruments under the **Exemption** category (e.g. Items 2, 4, 23, 24, 32, 49, 58 and 59) and instruments under Section 35 **General Exemptions** in the First Schedule of Stamp Act ("SA") 1949 are exempted from stamp duty / not chargeable with stamp duty.

While several sections in SA 1949 have indicated that only instruments chargeable with duty must be stamped and certified by the Collector of Stamp Duties, an exempted instrument is still required to be submitted for indorsement and certification by the Collector of Stamp Duties.

Further to the implementation of Self-Assessment System ("SAS") for stamp duty starting from 1 January 2026, duty payers have expressed concerns on operational challenges in stamping and indorsing high-volume, frequently executed yet exempted instruments such as employment contracts, instrument for sale of goods and etc.

In this instance, the Inland Revenue Board of Malaysia (IRBM) issued a Media Statement on 7 August 2026 to provide further clarifications on the stamp duty treatment for employment contracts and instruments under the Exemption and General Exemptions categories in the First Schedule of SA 1949. This is aimed to ease the administrative burden and compliance towards stamp duty while providing clarification, uniformity and certainty to duty payers.

Key clarifications in the Media Statement (7 August 2026)

- All instruments under the **Exemption** category in the First Schedule of SA 1949 (including instruments for contract of employment with monthly wages not exceeding RM3,000) are not required to be stamped and indorsed.

- All instruments under the Section 35 **General Exemptions** category in the First Schedule of SA 1949 are still required to be indorsed to ensure only relevant parties and eligible instruments are claiming the exemption.

- In relation to instruments for contract of employment with monthly wages exceeding RM3,000, only the principal instrument or master contract detailing the terms of employment is required to be stamped and indorsed. Secondary or supplementary instruments in relation to the same employment are not required to be stamped and indorsed.

Grant Thornton Malaysia has a dedicated stamp duty specialist team to support your journey towards stamp duty compliance with the following offerings and solutions:

- Train and equip your team with stamp duty knowledge
- Review complex agreements to analyse the relevant stamp duty treatment
- Filing of stamp duty returns
- Assistance on stamp duty audits

For further details, please click on the links above or please contact your respective Grant Thornton tax advisor should you require further guidance.

Contact us to discuss how we can assist you with stamp duty matters

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