

**KETUA EKSEKUTIF/KETUA PENGARAH,
LEMBAGA HASIL DALAM NEGERI,
BAHAGIAN DUTI SETEM, JABATAN TEKNIKAL,
TINGKAT 11(KANAN), BLOK 9 ,
KOMPLEKS KERAJAAN JALAN DUTA
50600 KUALA LUMPUR.
MALAYSIA.**

No. Ruj: **LHDN. 01/34/42/68-100-032(T)**

**GUIDELINES ON THE STAMPING OF SHARE TRANSFER
INSTRUMENTS FOR SHARES THAT ARE NOT QUOTED ON
THE KUALA LUMPUR STOCK EXCHANGE.**

1. Introduction

The purpose of this guideline is to ensure consistency in practice by all stamping units in relation to the valuation of ordinary shares of companies that are not listed on the Kuala Lumpur Stock Exchange. The basis of valuation as set out below is to be adopted.

2. Legislation

2.1. The instruments of transfer on sale of any stock, shares or marketable securities is subject to duty under item 32(b) of the First Schedule Stamp Act 1949 as follows:

“On sale of any stock, shares or marketable securities, to be computed on the **price** or **value** thereof on the date of transfer, whichever is the greater –

RM3.00*

For every RM1,000 or fractional part of RM1,000

*This new rate is effective from 1 January 2001.

2.2. For shares that are not quoted on the Kuala Lumpur Stock Exchange, the basis for determining the value of the share is as set out in paragraph 3.

3. Basis of valuation

3.1. For cases where the sale of shares requires the approval of the Securities Commission (“SC”), the price/value per share as approved by SC may be accepted for the purpose of valuation of such shares. A copy of the letter from SC must be submitted as evidence.

- 3.2. For cases of companies incurring losses, the Par Value or Net Tangible Assets (“NTA”) or sale consideration whichever is the highest is to be used for the purpose of computation of the stamp duty payable. The formula for computing the value per share based on NTA is as follows:

$$\text{Net Tangible Asset per share} = \frac{\text{Shareholders' Funds}^*}{\text{Issued Share Capital}}$$

$$*\text{Shareholders' Funds} = \text{Total Assets} - \text{Total Liabilities}$$

Please refer Example I in Appendix 1.

- 3.3. For cases other than that mentioned in paragraphs 3.1. and 3.2. above, a comparison is to be made between Net Tangible Assets (“NTA”), Price Earning Multiple/Price Earning Ratio (“PER”) and sale consideration whichever is the highest. For the purpose of computing the value based on “PER”, the minimum “PER” as extracted from the “Guidelines for the new issue of securities and the valuation of public limited companies” issued by The Capital Issues Committee, Ministry of Finance for certain economic sectors may be used as indicated below:-

Sector	PE Multiple
Property	3.5
Services	4.0
Trading	4.0
Transportation	4.0
Contracting and construction	4.5
Tourism (including hotels)	4.5
Insurance	5.0
Manufacturing	5.0
Agriculture	5.0
Gaming	6.0
Finance companies	6.0
Stockbroking companies	6.0
Plantations	7.5
Utilities	8.0
Banks	8.5

The formula for computing the value per share based on “PER” is as follows:-

$$\text{Value per share} = \frac{\text{Profits after tax}}{\text{Issued share capital}} \times \text{PER}$$

Please refer Example II and III in Appendix 2 and 3.

4. A copy of the form PDS 6 Pind. 01 (Appendix 4) should be completed and submitted by the transferee.
5. This guideline is effective from the date of issue.
6. The Inland Revenue Board reserves the right to withdraw or amend this guidelines if deemed necessary.

Unit Duti Setem,
Bahagian Teknikal.

s.k. ___ Fail. LHDN. 01/35(S)/42/68 Kit. 3

Example I

XYZ Sdn. Bhd. (an investment holding company) has an issued share capital of **RM200,000**. A total of **150,000** shares were sold on 1.3.2001 for a sale consideration of **RM75,000**. The particulars as per audited accounts for the year ended 31.12.2000 (Appendix 1A and 1B) are as follows:

Net loss for the year	(RM 2,275)
Issued share capital	RM200,000
Shareholders' Funds	RM181,950

(A) Par Value of shares transferred RM150,000

(B) Net Tangible Assets (“NTA”)

$$\begin{aligned}
 \text{Value per share} &= \frac{\text{Shareholders' Funds}}{\text{Issued share capital}} \\
 &= \frac{\text{RM181,950}}{\text{RM200,000}} \\
 &= \text{RM0.91}
 \end{aligned}$$

$$\begin{aligned}
 \text{Value of shares transferred} &= \text{RM0.91} \times 150,000 \\
 &= \text{RM136,500}
 \end{aligned}$$

(C) Sale consideration RM75,000

A comparison between Par Value, “NTA” and sale consideration shows that the value of shares based on par value is the highest. The stamp duty payable is, therefore, calculated based on par value i.e. **RM150,000**.

$$\begin{aligned}
 \text{Stamp duty payable} &= \frac{\text{RM150,000}}{\text{RM1,000}} \times \text{RM3.00} \\
 &= \text{RM450.00}
 \end{aligned}$$

APPENDIX 1A

XYZ SDN. BHD.
(Incorporated in Malaysia)
BALANCE SHEET AS AT 31.12.2000

RM

FIXED ASSET	133,900.00
<u>CURRENT ASSET</u>	
Non-trade debtors	-
Amount due from directors	45,000.00
Cash in hand & at bank	<u>3,050.00</u>
	<u>48,050.00</u>
LESS :	
<u>CURRENT LIABILITIES</u>	
Amount due to a director	300.00
Non-trade creditors & accruals	3,500.00
Provision for taxation	-
	<u>3,800.00</u>
NET CURRENT ASSETS	44,250.00
<u>EXPENDITURE CARRIED FORWARD.</u>	
at cost	
Preliminary expenses	3,500.00
Pre-operating expenses	<u>300.00</u>
	<u>3,800.00</u>
	181,950.00
Representing,	
<u>SHARE CAPITAL</u>	
Authorised : 300,000 shares of RM1.00 each	300,00.00
Issued & paid up : 200,000 of RM1.00 each	200,000.00
ACCUMULATED LOSS	<u>(18,050.00)</u>
	181,950.00

APPENDIX 1B

XYZ SDN. BHD.

(Incorporated in Malaysia)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31.12.2000**

	RM
INCOME	3,000.00
<u>LESS : EXPENDITURE INCURRED</u>	
Accountancy & secretarial fees	1,500.00
Audit fee	1,000.00
Bank charges	100.00
Filing & declaration	150.00
Postages, printing & stationery	200.00
Service tax	25.00
Telephone charges	300.00
Bad debts written off	<u>2,000.00</u>
	<u>5,275.00</u>
Net loss for the year	(2,275.00)
<u>LESS : TAXATION</u>	<u>-</u>
Loss after taxation and before extraordinary item	(2,275.00)
<u>LESS : EXTRAORDINARY ITEM, net of tax 5</u>	<u>-</u>
Loss after taxation & extraordinary item	(2,275.00)
Accumulated loss brought forward	<u>(15,775.00)</u>
Accumulated loss carried forward	<u>(18,050.00)□</u>

APPENDIX 2

Example II

ABC Sdn. Bhd. (a housing developer) has an issued share capital of **RM250,000**. **All the shares** were sold on 1.2.2001 for a sale consideration of **RM500,000**. The particulars as per audited accounts for the year ended 30.9.2000 (Appendix 2A and 2B) are as follows:

Profits after tax	RM200,000
Issued share capital	RM250,000
Shareholders' Funds	RM925,000

(A) Net Tangible Assets ("NTA")

$$\begin{aligned} \text{Value per share} &= \frac{\text{Shareholders' Funds}}{\text{Issued share capital}} \\ &= \frac{\text{RM925,000}}{\text{RM250,000}} \\ &= \text{RM3.70} \end{aligned}$$

$$\begin{aligned} \text{Value of shares transferred} &= \text{RM3.70} \times 250,000 \\ &= \text{RM925,000} \end{aligned}$$

(B) Price Earnings Ratio ("PER")

$$\begin{aligned} \text{Value per share} &= \frac{\text{Profits after Tax}}{\text{Issued Share Capital}} \times \text{PER} \\ &= \frac{\text{RM200,000}}{\text{RM250,000}} \times 3.5 \\ &= \text{RM2.80} \end{aligned}$$

$$\begin{aligned} \text{Value of shares transferred} &= \text{RM2.80} \times 250,000 \\ &= \text{RM700,000} \end{aligned}$$

(C) Sale consideration	RM500,000
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A comparison between “NTA”, “PER” and sale consideration shows that the value of shares based on “NTA” is the highest. The stamp duty payable is, therefore, calculated based on “NTA” value i.e. **RM925,000**.

$$\begin{aligned}
 \text{Stamp duty payable} &= \frac{\text{RM925,000}}{\text{RM3.00}} \times \text{RM1,000} \\
 &= \underline{\underline{\text{RM2,775.00}}}
 \end{aligned}$$

APPENDIX 2A

ABC SDN. BHD.

Balance Sheet as at 30.9.2000

	RM
Current Assets	
Development work-in-progress	100,000.00
Trade debtors	700,000.00
Cash and bank balances	<u>1,400,000.00</u>
	<u>2,200,000.00</u>
Less : Current liabilities	
Trade creditors	280,000.00
Other creditors, accruals and provision	700,000.00
Provision for taxation	<u>300,000.00</u>
	<u>1,280,000.00</u>
Net current assets	920,000.00
Fixed assets	<u>5,000.00</u>
	<u>925,000.00</u>
Financed by :	
Share capital	250,000.00
Unappropriated Profit	<u>675,000.00</u>
	<u>925,000.00</u>

APPENDIX 2B

ABC SDN. BHD.
Profit and Loss Account
for the year ended 30.9.2000

	RM
Turnover	1,500,000.00
Profit before Taxation□	300,000.00□
After charging :	
Auditors' remuneration	5,000.00
Depreciation	1,500.00
And crediting :	
Interest received□	75,000.00
Taxation	<u>100,000.00</u>
Profit after Taxation	200,000.00
Accumulated profit brought forward	<u>475,000.00</u>
Unappropriated profit carried forward□	<u>675,000.00</u>

APPENDIX 3

Example III

PQR Sdn. Bhd. (a company providing secretarial services), has an issued share capital of **RM500,000**. A total of **200,000 shares** were sold on 1.4.2001 for a sale consideration of **RM200,000**. The particulars as per audited accounts for the year ended 31.12.2000 (Appendix 3A and 3B) are as follows:

Profits after Tax	RM2,250,000
Issued Share Capital	RM 500,000
Shareholders' Funds	RM2,725,000

(A) Net Tangible Assets (“NTA”)

$$\begin{aligned} \text{Value per share} &= \frac{\text{Shareholders' Funds}}{\text{Issued share capital}} \\ &= \frac{\text{RM2,725,000}}{\text{RM 500,000}} \\ &= \text{RM5.45} \end{aligned}$$

$$\begin{aligned} \text{Value of shares transferred} &= \text{RM5.45} \times 200,000 \\ &= \text{RM1,090,000} \end{aligned}$$

(B) Price Earnings Ratio (“PER”)

$$\begin{aligned} \text{Value per share} &= \frac{\text{Profits after tax}}{\text{Issued share capital}} \times \text{PER} \\ &= \frac{\text{RM2,250,000}}{\text{RM 500,000}} \times 4.0 \\ &= \text{RM18.00} \end{aligned}$$

$$\text{Value of shares transferred} = \text{RM18.00} \times 200,000$$

= **RM3,600,000**

(C) Sale consideration **RM200,000**

A comparison between “NTA”, “PER” and sale consideration shows that the value of shares based on “PER” is the highest. The stamp duty payable is, therefore, calculated based on “PER” value i.e. **RM3,600,000**.

Stamp Duty Payable = $\frac{\text{RM3,600,000}}{\text{RM3.00}} \times \text{RM1,000}$
= **RM10,800.00**

APPENDIX 3A

PQR SDN. BHD.

Balance Sheet as at 31.12.2000

	RM
CURRENT ASSETS	
Other Debtors	3,500,000.00
Cash and bank balances	<u>75,000.00</u>
	<u>3,575,000.00</u>
CURRENT LIABILITIES	
Other creditors and accruals	1,400,000.00
Provision for taxation	<u>5,000.00</u>
	<u>1,405,000.00</u>
NET CURRENT ASSETS	2,170,000.00
INVESTMENT IN ASSOCIATED COMPANIES	<u>555,000.00</u>
	<u>2,725,000.00</u>

FINANCED BY :
 SHARE CAPITAL
 UNAPPROPRIATED PROFIT
 □

500,000.00
2,225,000.00
2,725,000.00

APPENDIX 3B

PQR SDN. BHD.
Profit and Loss Account
for the year ended 31.12.2000

	RM
Operating Revenue	3,500,000.00
Operating Costs	<u>(50,000.00)</u>
Profit/(Loss) before taxation	3,450,000.00
Taxation	<u>(1,200,000.00)</u>
Profit/(Loss) after taxation	2,250,000.00
Accumulated loss brought forward	<u>(25,000.00)</u>
Unappropriated profit □	<u>2,225,000.00</u>

**APPENDIX 4
(PDS 6 Pind. 01)**

Permohonan untuk menyetemkan suratcara pindahmilik syer bagi syer yang tidak tersenarai di Bursa Saham Kuala Lumpur

Bahagian I : (Untuk diisi oleh penerima pindahmilik)

1. Penerima pindahmilik
Nama penuhnya :
No. Kad Pengenalan/ :
No.Pendaftaran Syarikat :
2. Pemberi pindahmilik
Nama penuhnya :
No. Kad Pengenalan/ :
No.Pendaftaran Syarikat :
3. Balasan : RM
4. Tarikh suratcara disempurnakan :
5. Bilangan syer-syer/unit saham dan % yang dipindahmilikkan :
6. Nama syarikat bagi syer yang dipindahmilikkan :
.....
...
7. Tertakluk/tidak tertakluk kepada kelulusan Suruhanjaya Sekuriti

Sesalanan surat kelulusan yang berkenaan hendaklah disertakan. (sekiranya berkaitan).

8. Didahului/tidak didahului oleh surat perjanjian jualbeli :
Sesalanan surat perjanjian yang berkenaan hendaklah disertakan. (sekiranya berkaitan).

.....Tandatangan
.....Tarikh

UNTUK KEGUNAAN PEJABAT SAHAJA
Duti yang ditaksirkan RM..... (Penaksir)
Bayaran tunai/cek, draf no. sebanyak RM..... diterima. (Kesyer)
Setem-setem bernilai RM..... dicopkan (Operator Mesin)

Bahagian II (Untuk diisi oleh Setiausaha Syarikat atau Pendaftar)

Saya (Nama dan No. Kad Pengenalan) sebagai Setiausaha/Pendaftar bagi
..... (Nama Syarikat) membuat perakuan seperti berikut:-

- (a) bahawa Syarikat ini ditubuhkan pada dan aktiviti utamanya ialah
- (b) bahawa keluaran modal yang terakhir telah dibuat oleh (Nama Syarikat) pada (tarikh syer dikeluarkan).
- (c) bahawa modal berbayar seperti berikut telah dibuat dengan harga premium(1)...
- (d) bahawa pada (tarikh keluaran syer yang terakhir), modal berbayar syarikat terdiri daripada(2)...
- (e) bahawa syer-syer tersebut iaitu (bilangan dan kelas syer mengikut suratcara pindahmilik syer) yang dipindahmilikkan oleh

..... (Nama Penjual dan No. Kad Pengenalan)
kepada (Nama Pembeli dan No. Kad Pengenalan)
adalah merupakan% daripada jumlah syer
kelas berkenaan yang dikeluarkan.

(f) bahawa Dana Pemegang Syer *Syarikat pada(3)...
adalah RM

* Dana Pemegang Syer = Jumlah aset – Jumlah liabiliti

(g) bahawa keuntungan selepas cukai syarikat pada(3)...
adalah RM

..... Tandatangan
..... Jawatan
..... Tarikh

Catatan :

- (1) Sekiranya keluaran syer telah dibuat dengan bayaran premium pada tarikh ia dikeluarkan, kelas-kelas syer yang dikeluarkan dan harga premium hendaklah dinyatakan.
- (2) Nyatakan kelas syer (“Founder/Director/Ordinary/Preference” dll), jumlah unit dalam kelas yang berkenaan dan nilai parnya.
- (3) Maklumat yang dikehendaki adalah berdasarkan kepada angka-angka dalam kunci kira-kira bagi tahun kewangan yang terakhir sebelum tarikh pemindahan syer. Sesalinan akaun beraudit yang berkenaan hendaklah disertakan.

GuidelinesBSKL01/TYH