

4) ACQUISITION OF PROPERTIES UNDER MALAYSIA MY SECOND HOME PROGRAMME

ACQUISITION OF PROPERTIES BY FOREIGN INTERESTS UNDER FOREIGN INVESTMENT COMMITTEE (FIC)'S GUIDELINE

1. Acquisition of Residential Units Under Malaysia My Second Home Programme

- a. Purchase of **residential unit** is exempted from FIC's approval under the Malaysia My Second Home Programme.
- b. No. of residential units purchased is limited to 2 (two) units for Malaysia My Second Home Programme.
- c. All categories of residential units are allowed except for low-cost and medium low-cost units as determined by the state authorities, all properties built on Malay reserve land, units that are reserved for Bumiputera quota and agricultural land developed on the basis of the homestead concept
- d. State authority has the discretion to consider the acquisition based on location, no. of unit in any single project development and type of the properties
- e. Any proposed acquisition under Malaysia My Second Home Programme must be directly applied to (Ministry of Tourism).
- f. The detailed particulars of the acquisition should be notified to FIC by the Ministry.

2. Acquisition of Properties

- a. Acquisitions of properties other than residential units are subjected to FIC's approval
- b. Any proposed purchase should be more than RM150,000
- c. For states of Johor, Pulau Pinang, and Melaka, the acquisition of properties must be more than RM 250,000 and for certain areas in Sarawak is RM 350,000 and above.

3. Transfer of Properties by Foreign Interests

- a. Transfer of properties by foreign interests are only allowed to their immediate family members only
 - *Family members under FIC's guidelines are through marriage (husband and wife), blood ties (grandfather, grandmother, siblings, step-children and legally adopted children)*

- b. Transfer of properties through Will or Court Order is exempted from FIC's approval

4. Procedure for Acquisition of Properties Under FIC's Guideline

- a. Identify the desired property
 - b. Assign a trusted and dependable law firm
 - c. Sign the Sale and Purchase (S & P) Agreement
 - d. Apply for FIC's approval: -
 - Fill up form A/2004 together with SB/2004
 - Attach copies of S & P (Sale & Purchase) master title/strata title, passport or I/C, or/and relevant documents deemed necessary
 - Send the application with covering letter
- every application will be processed in 24 hours or 3 working days
- no fee is imposed on application made
- for more information please refer to FIC's Guidelines that can be accessed from www.epu.jpm.my

5. Acquisition Procedure Of Residential Unit Under Malaysia My Second Home Programme

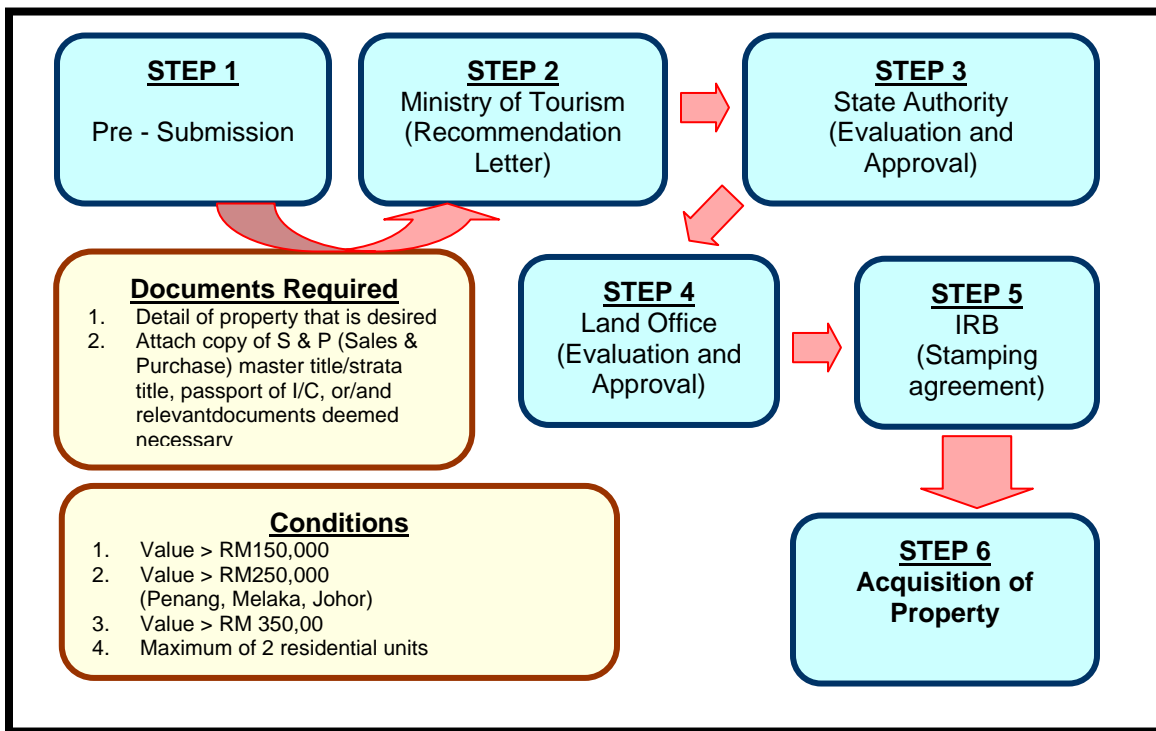


Chart 5.1 : Procedure for Acquisition of Properties under Malaysia My Second Home Programme

- a. Identify the property in which the participant intends to acquire
- b. Buy properties that have been issued the Certificate of Fitness (CF)
- c. Seek information on the property from relevant authorities (land office, local authorities)
- d. Assign a lawyer and get the S & P Agreement signed
- e. Get a letter from Ministry of Tourism certifying that the acquirer is a participant of Malaysia My Second Home Programme

6. Disposal of Properties

- a. Identify interested local buyer. If foreign buyer, please seek prior approval from FIC
- b. Sign the S & P agreement with the interested buyer
- c. Notify relevant authorities (FIC, Ministry of Tourism, Inland Revenue Board) of the disposal of the property
- d. Pay property gain tax to Inland Revenue Board, if applicable

For further inquiries, kindly contact:



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