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Legal Update

Establishment of the Single Family Office Order and Rules (Part 3)

This article forms Part 3 of our series on Malaysia's Single Family Office framework and should be read together with Part 1 and Part 2, which examined the legislative backdrop, qualifying criteria and tax incentives under the Single Family Office Order and Rules. Building on that foundation, this instalment focuses on the stamp duty exemptions and remissions introduced under the Forest City Special Financial Zone, as well as the applicable Real Property Gains Tax (RPGT) incentives, which further enhance the attractiveness of Malaysia as a destination for family offices and long-term wealth structuring. This guide provides a practical overview of navigating arbitration in Thailand. It explores the unique legal and economic advantages of selecting Thailand as an arbitral seat, outlines the structural and procedural nuances of the country's two main arbitral institutions and details the mechanisms governing the enforceability of arbitral awards.

Part III - Stamp duty exemptions under the Forest City Special Financial Zone

To further incentivise family office establishment, **stamp duty exemptions** apply to transactions executed between **1 September 2024 and 31 December 2034**, including:

A. *Tax exemption on transfers of qualifying assets between family fund companies and related family entities under P.U.(A) 352/2025*

1. **Exemption:** Paragraph 3 of **P.U.(A) 352/2025** provides that an instrument of transfer of a qualifying asset from stamp duty executed between a single family fund company and[1]:

   (a) a member of a single family; or

   (b) a company or trust body which is wholly owned, directly or indirectly, by a member of the single family.

[1] Rule 3 of P.U.(A) 352/2025

2. **Conditions:** The following conditions for the exemption are as follows[2]:

(a) the instrument of transfer of the qualifying asset is executed from 1 September 2024 to 31 December 2034;

(b) the instrument of transfer of the qualifying asset shall be executed within one year from the date the certification letter is issued by the SC; and

(c) the single family fund company shall attach the certification letter.

B. *50% remission on loan or financing agreements for eligible individuals and qualifying individuals purchasing completed residential or commercial properties in Pulau 1 under* P.U.(A) 353/2025 and P.U.(A) 355/2025

1. **Remission:** Paragraph 2 of **P.U.(A) 353/2025 and P.U.(A) 355/2025** remits 50% of the stamp duty chargeable on any instrument of loan or financing agreement relating to the purchase of a residential unit or commercial unit in Pulau 1 of Forest City Special Financial Zone executed between one or more individuals[3] or qualifying person[4] and:

(a) a licensed bank under the Financial Services Act 2013;

(b) a licensed Islamic bank under the Islamic Financial Services Act 2013;

(c) a development financial institution prescribed under the Development Financial Institutions Act 2002;

(d) a co-operative society registered under the Co-operative Societies Act 1993;

(e) Borneo Housing Mortgage Finance Bhd. (Company Registration Number: 25457-V) incorporated under the Companies Act 2016; or

(f) Mutiara Mortgage & Credit Sdn. Bhd. (Company Registration Number: 257663-T) incorporated under the Companies Act 2016.

2. **Conditions:** The instrument of loan or financing agreement is subject to the following conditions[5]:

(a) the sale and purchase agreement of the residential unit or commercial unit is executed between a developer and one or more individuals or qualifying person;

[2] Rule 4 of P.U.(A) 352/2025
[3] Rule 2(1) of P.U.(A) 353/2025
[4] Rule 2(1) of P.U.(A) 355/2025
[5] Rule 2(2) of P.U.(A) 353/2025; Rule 2(2) of P.U.(A) 355/2025

(b) the sale and purchase agreement of the residential unit or commercial unit is executed from 1 September 2024 to 31 December 2034;

(c) the sale and purchase agreement of the residential unit or commercial unit shall be in relation to a residential unit or commercial unit the construction of which is completed before 1 September 2024; and

(d) the sale and purchase agreement of the residential unit or commercial unit shall not be in relation to the same residential unit or commercial unit where a sale and purchase agreement for such residential unit or commercial unit had been executed before 1 September 2024 and was subsequently cancelled by the same individual or qualifying person.

3. **Definition:** The definition of a qualifying person is as follows:

(a) a person who is licensed under section 10 of the Financial Services Act 2013 or section 10 of the Islamic Financial Services Act 2013;

(b) a company which is a holder of a Capital Market Services Licence under the Capital Markets and Services Act 2007;

(c) a recognized market operator who is registered under section 34 of the Capital Markets and Services Act 2007 other than an individual;

(d) a registered person registered under section 76 of the Capital Markets and Services Act 2007 other than an individual;

(e) a person providing capital market services registered under section 76A of the Capital Markets and Services Act 2007 other than an individual;

(f) a single family fund company which is verified by the Securities Commission;

(g) a financial technology company, insurance technology company, regulatory financial technology company or Islamic financial technology company which has been awarded MSC Malaysia Status or Malaysia Digital Status and is verified by Malaysia Digital Economy Corporation Sdn. Bhd.;

(h) a payment system operator established or incorporated in a foreign jurisdiction approved under section 11 of the Financial Services Act 2013 or section 11 of the Islamic Financial Services Act 2013 to operate a payment system in Pulau 1 of Forest City Special Financial Zone; or

(i) a centralized services entity providing financial global business services which has been awarded MSC Malaysia Status or Malaysia Digital Status and is verified by Malaysia Digital Economy Corporation Sdn. Bhd.

C. *50% remission on property transfer instruments for individual and qualifying person under P.U.(A) 354/2025* and *P.U.(A) 356/2025*

1. **Remission:** Paragraph 2 of **P.U.(A) 354/2025** and **P.U.(A) 356/2025** remits 50% of the stamp duty chargeable on any instrument of transfer relating to a residential unit or commercial unit in Pulau 1 of Forest City Special Financial Zone executed between a developer and one or more individuals or qualifying person or

2. **Conditions:** The instrument of transfer is subject to the following conditions[6]:

   (a) the sale and purchase agreement of the residential unit or commercial unit is executed between a developer and one or more individuals or qualifying person;
   (b) the sale and purchase agreement of the residential unit or commercial unit is executed from 1 September 2024 to 31 December 2034;
   (c) the sale and purchase agreement of the residential unit or commercial unit shall be in relation to a residential unit or commercial unit the construction of which is completed before 1 September 2024; and
   (d) the sale and purchase agreement of the residential unit or commercial unit shall not be in relation to the same residential unit or commercial unit where a sale and purchase agreement for such residential unit or commercial unit had been executed before 1 September 2024 and was subsequently cancelled by the same individual or qualifying person.

Part IV – Real Property Gains Tax (RPGT) exemptions

Under the Forest City Special Financial Zone framework, non-citizens and non-permanent residents disposing of real property in Pulau 1 are eligible for progressive RPGT exemptions between 1 September 2024 and 31 July 2034. These reductions encourage long-term property investment, culminating in full exemption after the sixth year of ownership. [7]

Conclusion

The implementation of the Single Family Office Order and Rules represents a landmark development in Malaysia's aspiration to become a regional hub for wealth management and family office operations. The comprehensive incentive framework under the Forest City Special Financial Zone underscores the Government's commitment to fostering sustainable growth in the sector, as reflected in the increasing number of family office applications currently under SC review.

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[6] Rule 2(2) of P.U.(A) 354/2025; Rule 2(2) of P.U.(A) 356/2025
[7] Rule 3 of P.U.(A) 356/2025

Further information

Should you have any questions on the implications of this Act or how this development may affect you or your business, please get in touch with:

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