

SECTIONS 2, 4, 39 & ITEM 32(a) FIRST SCHEDULE
STAMP ACT 1949



GTP NETWORK SDN BHD

V.

COLLECTOR OF STAMP DUTY

APPEAL NO. WA-24-18-02/2024

 HIGH COURT KUALA LUMPUR

 YA PUAN ALICE LOKE YEE CHING

 23rd OCTOBER 2025

GTP Network Sdn Bhd (“Plaintiff”) and Verticom Sdn Bhd (“Verticom”) entered into an Asset Sale Agreement dated 27.08.2021, whereby Verticom agreed to sell and the Plaintiff agreed to purchase the licensed

infrastructure which included the telecommunication towers. The Plaintiff together with Celcom Networks Sdn Bhd (“Celcom”) had entered into a Novation Agreement whereby Verticom shall transfer by novation all of its rights, benefits, and interest in the twelve (12) License Agreements to the Plaintiff which was entered previously with Celcom. On 15.1.2024, the Collector of Stamp Duty (“the Collector”) assessed the Novation Agreement with an *ad valorem* duty for the amount of RM114,625.00 pursuant to Item 32(a) First Schedule Stamp Act 1949 (“SA 1949”). Dissatisfied with the assessment of the duty, the Plaintiff appealed against it claiming that the Novation Agreement should be assessed with a nominal duty of RM10.00. The issue before the High Court was whether the Novation Agreement should be assessed with an *ad valorem* duty or nominal duty.

The Plaintiff submitted that a novation agreement was different from a deed of assignment. The Novation Agreement discharged the rights and obligations of one of the original parties from the original contract entirely. The intention of the parties to novate was clear and showed that the parties intended for the rights and obligations of the License Agreement to be novated from Verticom to the Plaintiff

In response, the Collector argued that the Novation Agreement entered by the Plaintiff was a ‘conveyance on sale’ and should be charged with an *ad valorem* duty because there was a transfer by novation all of the rights, benefits, interest and obligations in the twelve (12) License Agreements to the Plaintiff. The Novation Agreement was a tripartite agreement in which the original party transferred all of the rights and obligations on the original agreement to the new party. Hence, the Novation Agreement shall be assessed under Item 32(a) of the First Schedule of SA 1949. The Collector further argued that it was justified in imposing a penalty under Subsection 47A (1)(a) SA 1949 against the Plaintiff as the Novation Agreement was presented for stamping after thirty days had lapsed from the date of execution of the agreement.

On 23.10.2025, the High Court has allowed the Plaintiff’s appeal with costs.

Editorial Note

- *The Collector has the right to appeal to the Court of Appeal within 30 days from the date of the decision.*