

SECTIONS 3A(4), SECTIONS 39(1) & ITEM 32(a)
FIRST SCHEDULE STAMP ACT 1949

WASRENO DEVELOPMENT PENERANG SDN BHD
V.
COLLECTOR OF STAMP DUTY
APPEAL NO. WA-24-89-11/2023



 HIGH COURT KUALA LUMPUR

 YA PUAN ALICE LOKE YEE CHING

 4 MAY 2026

On 28.4.2022, WDP Sdn. Bhd (“WDP”) entered into a Sale and Purchase Agreement with PIJ Holdings Sdn. Bhd. (“PIJ”) to acquire a property at Pengerang, Johor for RM5,500,000.00 (the said property). The transfer of ownership of the subject Property from PIJ to WDP was

completed through the filing of Form 14A dated 9.11.2022. The Duty Payer subsequently applied for stamp duty adjudication and Jabatan Penilaian dan Perkhidmatan Harta (“JPPH”) valued the property at RM32,373,000.00. Disputing the valuation, the Duty Payer filed the first appeal and submitted an independent valuation by PA International Property Consultants Sdn. Bhd. at RM11,620,000.00. JPPH maintained its valuation upon review on 4.1.2023, prompting a second appeal on 20.1.2023. Following this, the Collector of Stamp Duty (“the Collector”) issued an amended assessment on 16.2.2023 amounting to RM1,278,920.00, which was paid under protest and the Duty Payer filed a Notice of Objection under section 38A(1) of the Stamp Act 1949 (“SA 1949”). The dispute before the Court is whether the stamp duty should be assessed based on JPPH’s valuation or the Duty Payer’s valuation.

The Duty Payer submitted that the Collector’s stamp duty assessment based on an inflated market value was erroneous as it did not reflect the true market value determined in accordance with established valuation principles. The Duty Payer argued that market value should be based on arm’s-length transactions using appropriate comparable sales with necessary adjustments. It was contended that the valuation adopted by the Collector, based on JPPH’s report, was flawed due to reliance on unsuitable comparables and failure to account for material differences, including land size, time factors, and adverse market conditions such as the COVID-19 pandemic. In contrast, the Duty Payer’s valuer relied on more appropriate comparables within the same locality and timeframe, producing a fair and reasonable valuation. The Duty Payer further submitted that JPPH’s valuation, prepared only after the issuance of the assessments and commencement of proceedings, amounted to an after-the-fact justification and a failure to properly exercise its discretion under SA 1949. Accordingly, the Duty Payer contended that the Collector’s assessment should be set aside in favour of its valuation.

On the other hand, the Collector submitted that the Form 14A as an instrument to transfer of property was chargeable pursuant to Item 32(a) First Schedule SA 1949 (read together with subsection 4(1) SA 1949). Under Item 32(a) First Schedule SA 1949, stamp duty would be charged an ad valorem duty based on either the consideration amount or the market value of the property, whichever is higher. In this case, although the property was sold for RM5,500,000.00, whilst both JPPH (RM32,373,000.00) and PA International (RM11,620,000.00) had valued the Property at a higher amount than the sale amount. The Collector took note of the valuation reports prepared by private valuers but maintained the position, based on trite law, that the valuation conducted by JPPH should be given priority in determining the market value of the subject property. The Court may only rely on a valuation prepared by a private valuer if the valuation conducted by JPPH was proven to be erroneous or in contravention of the law. There is no error or mistake in the valuation made by JPPH as the officer had explained in detail adjustments made on every comparison as required in the Comparison Method adopted by JPPH.

On 4.5.2026, the High Court has allowed the Duty Payer’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.*