

## **1. NEW GUIDELINE ON ACQUISITION OF PROPERTIES**

- 1.1 This new guideline was announced on *30 June 2009* by the Prime Minister during his keynote address at the Invest Malaysia 2009 Conference.
- 1.2 The Foreign Investment Committee (“FIC”), a special purpose committee set up under the *Economic Planning Unit* (“EPU”) of the Prime Minister’s Department of Malaysia to regulate and administer foreign investment in the country shall be substantially deregulated.
- 1.3 Effective **30 June 2009** the EPU has repealed the existing FIC guidelines of *1 January 2008* that have long hampered efforts to attract foreign investors, and implemented liberalisation of the new guideline on acquisition of properties. Copy of the new guideline can be found at <http://www.epu.jpm.my>.
- 1.4 Moving forward more specifically on the acquisition of property, the EPU will **ONLY** process transactions involving the dilution of Bumiputra interests (i.e. sale of property by Bumiputra to non-Bumiputra) and/or Government interests properties valued at **RM20 million and above**, whether bought directly or indirectly through acquisition of companies owing properties.
- 1.5 Save for the dilution of interest provided in item 1.4 above, all other property transactions (regardless of the nature of the property) shall no longer require the approval of the FIC subject to a general pricing threshold of Ringgit Malaysia Five Hundred Thousand (**RM500,000.00**) Only and above per unit.
- 1.6 The minimum threshold for acquisition of residential units still remains at Ringgit Malaysia Two Hundred Fifty Thousand (**RM250,000.00**) Only and above before the new threshold of Ringgit Malaysia Five Hundred Thousand (**RM500,000.00**) Only and above to be effective from **1 January 2010** onwards.
- 1.7 Without the need for FIC approval in this regard, there is now one process less leaving only the State Authority Consent to be obtained under the National Land Code. The State Authority is at liberty to impose any other conditions as it deem fit.
- 1.8 Through these measures, the Government intends to place Malaysia on a high growth trajectory, while at the same time maintaining the philosophy of growth with equity.

We trust the above to be useful for your comprehension in these investment friendly matters. We shall keep you informed of any later development in this matter.

Feel free to contact us for any clarifications in this matter at [consult@churassociates.com](mailto:consult@churassociates.com).

By **Chris Tan Chur Pim – CHUR ASSOCIATES®**  
July 2009