

The Conveyancing Practice Committee: Updates & Guidelines after meetings with LHDN, SSM, PTG Selangor and LPPSA

Further to the Circular No: **SBC/CIR/016/2023** dated 27th March 2023 issued by Selangor Bar Committee for the feedbacks on issues relating to Inland Revenue Board (“LHDN”), Companies Commission of Malaysia (“SSM”), land offices, Lembaga Pembiayaan Perumahan Sektor Awam (“LPPSA”), Insolvency Departments, etc.

We are pleased to announce that we have had a meeting with LHDN, SSM, LPPSA and Pejabat Tanah & Galian Negeri Selangor (“PTGS”).

The followings are updates of the concluded meetings with the respective stakeholders:

(A) Meeting with PTG Negeri Selangor (PTGS)

(1) 48 hours’ notice for collection/extraction of documents from Smartbox

Members are advised to consistently check their emails in the mail box and spam box. There has been issues that Members missed out the email notification for collection which went into their “spam” box or “boxbe guest list”. Email notifications will be sent out to the registered email address with Smartbox system only.

Members are advised to collect their documents from the Smartbox within 48 hours of email notification and not within 7 working days from the presentation statement. Failure to collect within 48 hours may result in late penalty charges being imposed by the respective land office.

(2) Delay in receipt of private land search results or presentation statements

Members are advised to follow up with Encik Khairi bin Zaman Huri if they still did not receive emails after 3 or 4 working days from the date of submission (of the application for private land searches or presentation statements) at the Smartbox kiosks. Members may email **Encik Khairi bin Zaman Huri** directly at his email address: **khairi.zaman@selangor.gov.my** or contact him at **03-55447804**. However, there might be some issues with the telephone lines since the registration departments for landed and strata has moved to the new premises.

(3) Issue of multiple rejections for fresh reasons by PTGS in the presentation

There has been cases of multiple rejections for fresh reasons by PTGS officers. Members are advised to raise the issues with Selangor Bar Committee (“SBC”) with supporting documents or see Encik Khairi bin Zaman Huri to resolve the issues. Members may email **Encik Khairi bin Zaman Huri** directly at his email address: **khairi.zaman@selangor.gov.my** or contact him at **03-55447804**.

(4) Imposition of RM10.00 on the Statutory Declaration for presentation of Private Caveats

For entry of private caveats (by individuals or banks), there has been rejection cases for failure to pay RM10.00 on the statutory declaration (“SD”) by certain district land offices. Usually, the total registration fees for entry of private caveat by individual is RM320.00 and by bank is RM340.00.

SBC has sought clarification from Pengarah PTGS on this issue and was informed that the SD (presented together with Form of Entry of Private Caveat) attracts registration fees of RM10.00. As such, the actual registration fees payable for entry of private caveat by individual is now

RM330.00 and by bank is RM350.00. However, PTGS is yet to officially start charging the additional RM10.00 on the SD at PTGS. PTGS will soon impose the registration fee of RM10.00 on the SD and will issue a circular to it. Members are advised to take note on this issue.

(5) CTC of Court Orders

Members are advised to produce copies of the Court Orders which has been duly certified as true copies by the Court. There have been some discrepancies in the terms of the Court Orders or “*perintah meragukan*” provided by the Members with the ones in the court e-filing system. PTGS has been advised to lodge police reports whenever they come across with forged Court Order presented for registration.

(6) Members to ensure the correct submission of documents to Smartbox

Members are advised to exercise caution and ensure that their runners submit the documents to the correct Smartbox kiosks. There have been cases documents meant for registration at Kuala Selangor Land Office or Petaling ended up in PTG Smartbox,

(B) Meeting with SSM

(1) To adopt formats and guidelines as per Practice Directives issued by SSM

Members are advised to follow the formats and guidelines as per paragraph 12(b) of the Practice Directive No.1/2017 issued by SSM for the preparation and filing of forms with SSM. SBC has issued a **circular No: SBC/CIR/039/2023** dated 19th May 2023 to that effect. For Members who have missed out the SBC circular, they may click the link at **https://www.ssm.com.my/Pages/Legal_Framework/Companies-Act-2016.aspx**

(2) Compound Reduction Initiatives

Please be informed that SSM has announced 3 compound reduction initiatives to help ease burden of corporate community for common offences under the Companies Act 1965 and Companies Act 2016. This initiatives programme will end by 31st December 2023. The initiatives involves reducing the compound by 90% of the original value on the companies that have a “dissolved” status under the Companies Act 1965 and Companies Act 2016. For example, 90% reduction on the maximum compound of RM45,000.00 is RM4,500.00 and the reduction compound by 90% on the RM5,000.00 is RM500.00 only.

(C) Meeting with LHDN

(1) Filing of e-CKHT Forms

Members are advised to advise their clients to submit their CKHT Forms online via e-CKHT and keep the records of the supporting documents for 7 years for audits/inspection. For time being, LHDN still accept manually filed CKHT Forms and the supporting documents.

LHDN has yet to issue ID for lawyers to file e-CKHT forms on behalf of their clients. Pending that, Members are advised to advise their clients to personally submit e-CKHT Forms on their

own. However, Members may guide their clients with the draft of e-CKHT forms for their clients to adopt and submit.

(2) Nationwide CKHT Audits by LHDN

LHDN has commenced action nationwide to audit, compound for those who failed to submit their CKHT Forms within the stipulated period of time ie. 60 days from the date of disposal or contract or within 60 days from unconditional date of contract.

Members are advised to take note of “approval by the Government or State Government” as per paragraph 17 of the Schedule 2 of Real Property Gains Tax Act 1976 & Orders. The approval does not apply to “court approval” or “an authority or committee appointed by the Government or State Government”.

Members are also advised to read thoroughly the contents of the letter of consent issued by the land offices which would clearly state the date of approval as decided by the State Authority and such date might differ from the date that appear on the top of the said Letter of Consent to transfer issued by the Land Office or the said Letter of Consent might be issued at a later date from the date of approval by the State Authority. Members are advised to be on alert and advise their clients accordingly.

For Members who have yet to file their CKHT Forms on behalf of their clients for whatever reasons, better file the same the soonest possible. It is better late than never.

(C) Meeting with LPPSA

(1) Members are to prepare Form 16N /Discharge of Charge, etc for LPPSA’s execution upon redemption

Members are advised to prepare and print Form 16 N Discharge of Charge or Form 30A or 30B (statutory vesting order from BPP to LPPSA) for LPPSA’s execution upon redemption/discharge of charge. LPPSA will only prepare Form 16N for the borrowers who have elected not to be represented by any solicitors.

(2) Common Issues facing by LPPSA

LPPSA has requested SBC to raise the common issues faced by LPPSA loan processing team as follows :

- (1) It is mandatory to adopt the format as prescribed by LPPSA for the Letter of Undertaking (“LU”) for Malay Reserved Land. The said LU should be maintained in its original format. It should not be amended, strikethrough or deleted by lawyers and the original copy of the LU which has been duly signed and witnessed must be submitted to LPPSA. Members are advised to adopt the format as uploaded in LPPSA website or follow the link at <https://myfinancing.lppsa.gov.my/my/borang-sokongan-permohonan-pembiayaan>
- (2) It is mandatory for Members are to adopt the format as prescribed by LPPSA in the issuance of quotation of legal fees.

- (3) It is mandatory for Members to submit to LPPSA clear Identity Cards of the Purchaser/Borrower/Customer/Chargor/Vendor(s), as the case may be.
- (4) For facilities under the 3rd Category/ *Jenis Ketiga*, it is advisable for Members to submit draft of Sale and Purchase Agreement (“SPA”) with full collateral information of the parties, properties, purchase price. LPPSA prefer draft SPA then Option To Purchase (“OTP”).
- (5) Documents submitted to LPPSA must be in a complete set. Kindly do not send in documents on piece meal basis unless based on queries from LPPSA
- (6) Members are to advise and highlight to the Purchasers/Borrowers to build their houses as per the progressive plan as approved by LPPSA.
- (7) LPPSA will only disburse the facilities for renovation in 2 stages. Members are to advise their clients accordingly.

Members are advised to please take note and be guided accordingly.

Thank you.

M K Thas
Chairman
Selangor Bar Committee