

DECISION BY DIRECTOR GENERAL OF ROYAL MALAYSIAN CUSTOMS

ITEM 1:

Small Office Home Office (SOHO)

The classification of residential property will be based on the design features and essential characteristics and attribute of the property.

If SOHO meets the above criteria, is the sale of SOHO apartment classified as a residential property?

- (i) Under Paragraph 2, First Schedule of the GST (Exempt Supply) Order 2014 (P.U (A) 271/2014), any buildings or premises being used for residential purposes, designed or adapted for use or intended to be used as dwelling is exempted.
- (ii) SOHO can be classified as a residential property **if** the development of such property comply with the requirement of the Housing Development (Control and Licensing) Act 1966 and Housing Development (Control and Licensing) Rules 1989 as follows –
 - (a) letter of planning approval (Surat Kebenaran Merancang) is issued for mixed development purposes i.e. for “commercial and Residential” by the relevant local authority; *(Amd w.e.f. 15/3/2016)*
 - (b) approved layout plan and approved layout building is for dwelling purpose;
 - (c) the sale and advertisement permit is issued under the Housing Development Act (Control and Licensing) 1966, Housing Development (Control and Licensing) Ordinance 2013 or Housing Development (Control and Licensing) Enactment 1978; and *(Amd. w.e.f. 7/7/2015)*
 - (d) the developer and the buyer enter into a sale and purchase agreement enforced under the Housing Development Rules (Control and Licensing) 1989, Housing Development (Control and Licensing) Ordinance 2013 or Housing Development (Control and Licensing) Enactment 1978. *(Amd. w.e.f. 7/7/2015)*