

## RAISING THE STAMP DUTY EXEMPTION THRESHOLD FOR EMPLOYMENT CONTRACTS

17 October 2025

Employment contracts are presently subject to a stamp duty of RM10 under Item 4, First Schedule of the Stamp Act 1949, with an exemption only where the employee's monthly wage does not exceed RM300.

Pursuant to the Malaysian Budget 2026, the wage threshold for stamp duty exemption on employment contracts will be raised from RM300 to RM3,000 per month, effective 1 January 2026.<sup>1</sup>

The new threshold, which is more realistic in this day and age, is expected to provide some cost savings and ease the administrative burden for businesses in formalising employment contracts and onboarding of employees.

Our earlier article highlighting the Inland Revenue Board's press release on the stamping of employment contracts can be read [here](#).

Alert by **Foo Siew Li** (Partner) and **Ashreyna Kaur Bhatia** (Associate) of the Employment and Immigration Practice of Skrine.



**FOO SIEW LI**  
Partner  
Employment and Immigration  
Practice  
  
T: +603 2081 3897  
E: [foo.siewli@skrine.com](mailto:foo.siewli@skrine.com)



**ASHREYNA KAUR BHATIA**  
Associate  
Employment and Immigration  
Practice  
  
T: +603 2081 3900  
E: [ashreyna.k@skrine.com](mailto:ashreyna.k@skrine.com)

---

<sup>1</sup> An amendment will have to be made to Item 4 of the First Schedule of the Stamp Act 1949 (usually through a Finance Act) to formalise the increase in the exemption threshold.



**A proud member of international legal network, LexMundi**  
Bringing the best together™

### PRACTICE AREAS

- Banking and Finance
- Construction and Engineering
- Corporate
- Corporate Structures and Secretarial Services
- Employment
- Fraud and Asset Recovery
- Intellectual Property and TMT
- Litigation and Arbitration
- Real Estate
- Regulatory Compliance
- Restructuring and Insolvency
- Tax and Revenue

### INDUSTRIES

- Aviation
- Financial Institutions
- Healthcare, Biotechnology and Pharmaceuticals
- Industrial and Manufacturing
- Insurance and Reinsurance
- Maritime and Shipping
- Oil & Gas, and Energy
- Projects and Infrastructure
- Real Estate
- Technology, Media and Telecommunications

### CONTACT US

Level 8, Wisma UOA Damansara  
50 Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia

T +603 2081 3999  
F +603 2094 3211  
E [skrine@skrine.com](mailto:skrine@skrine.com)



[www.skrine.com](http://www.skrine.com)

Welcome to **Skrine**, where legal excellence meets unwavering dedication. We are a homegrown Malaysian firm known locally and internationally as a beacon of trust and proficiency in the ever-evolving landscape of jurisprudence. Founded on the principles of **wisdom**, **fortitude** and **ingenuity** over 60 years ago, we navigate the complexities of the law with precision and insight.

Through our wide range of practice groups managed by lawyers with extensive experience, we work with our clients to achieve the results they aspire towards. While keeping pace with rapid development on all fronts, Skrine has remained steadfast in its commitment to champion the cause of its clients with diligence, skill, and a relentless pursuit of justice.

### OUR APPROACH

While fostering a one-to-one lawyer-client relationship is of significant importance, in instances where cases do not fit neatly into one area of law, we take advantage of the various internal practice groups and combine the skills of our lawyers to ensure that all relevant legal issues are addressed.

### ONE-STOP CENTRE WITH DEDICATED FOREIGN DESKS

We are a one-stop centre for all your legal needs to help you set up in Malaysia and hit the ground running. Beyond our borders, we understand the significance of dedicated foreign desks including **China**, **India (South Asia)** and **Middle East and North Africa (MENA)**. A key benefit is the seamless and efficient delivery of our services to multilingual nations where our lawyers are proficient in Mandarin, and Hindi, while many within the Firm are proficient in Cantonese and Tamil.

### VALUE ADDED SERVICES

We recognise that from the perspective of our clients, the day-to-day management of internal legal matters does not stop at specific cases that require external legal counsel or representation. We therefore offer a number of value-added services to help clients keep abreast with updates in the law and ensure internal compliance. This includes our e-alerts, newsletters, in-house trainings, workshops and seminars on industry-related legal topics.

### FIRM AWARDS

As a testament to the high standards we uphold, Skrine has garnered some of the top local and international awards for both legal firm and individual lawyers (a full list can be viewed at our website). We are honoured to have received the following:

- Chambers Asia-Pacific Leading Firm Year 2025
- Legal 500 Asia Pacific: Top Tier Firm Year 2025
- Chambers Asia-Pacific and Greater China Region Awards 2024: Malaysia Law Firm of the Year
- *asialaw*: Malaysia Law Firm of the Year 2023
- Global Arbitration Review (GAR): Ranked in Top 100 International Arbitration Practice 2012-2025
- IFLR 1000 2019-2025: Tier 1 Firm for Corporate/Mergers & Acquisitions, Energy, Infrastructure and Oil & Gas
- Asian Legal Business: Regional Litigation Law Firm of the Year 2022