

**GUIDELINE ON THE APPROVAL OF ACQUISITION OF PROPERTIES BY FOREIGN INTEREST  
IN MEDINI ISKANDAR MALAYSIA (*END USER*)**

**1. Objective**

The main objectives of this Guideline are:

- As a reference for the implementation of the Guideline on the approval for foreigners to lease / acquire lands situated in Medini, Iskandar Malaysia (under Section 433B National Land Code 1965).
- Roles of Government departments/ bodies and private agencies in implementing the Guideline are as follows :

|   | Department  | Role and Responsibility  |
|---|---|--|
| 1 | State Authority   | Gives blanket approval towards consent of such acquisition of properties situated in Medini Iskandar Malaysia by foreigners. However, each application has to go through Land and Mines Department (PTG) as a <i>formality</i> . |
| 2 | Land and Mines Department (PTG)   | Department responsible for issuing the letter of consent to IRDA/ applicant and the department that will be registering the related transactions   |
| 3 | Iskandar Regional Development Authority (IRDA)  | Responsible for attending to applications and producing letter of support prior to the applications being submitted to the Land and Mines Department (PTG)   |
| 4 | Iskandar Investment Berhad (IIB)  | As the land owner of lands in Medini, it is responsible in issuing the Certificate of Notification to the end user and all the necessary supporting documents  |
| 5 | <i>Master Concessionaire Lease Developer (MCLD) / Subsequent Layer Investor (SLI)</i> | As developer and investor responsible for the development of Medini, MCLD/SLI will have to submit the relevant documents during application.   |
| 6 | <i>End User</i>   | Lessees who acquire development plots /residential units in Medini from MCLD/SLI. They are required to complete all the relevant documents.  |

## 2. Basic Guideline

The main focus of the Guideline:

|                                 |   |
|---------------------------------|---|
| Proposed Foreign Guideline 2011 | <ul style="list-style-type: none"><li>• This Guideline serves as a guide for the process of transfer of lease/granting of lease to foreign End-Users (after MCLD/SLI) in Medini.</li><li>• The State Authority via the Land and Mines department (PTG) has provided the following flexibilities to End-Users (foreigners):<ul style="list-style-type: none"><li>○ Consent for foreign ownership would not be required to go through the State Authority (through <i>Jawatankuasa Hasil Bumi Committee/EXCO</i>)</li><li>○ Generally, blanket approval has been granted by the State Authority the Land and Mines Department (PTG), subject to the Foreign Ownership Guideline in Johor i.e – to grant consent for foreign acquisition of lease (by the End User) in respect of properties in Medini without having to go through the State Authority (through <i>Jawatankuasa Hasil Bumi Committee/EXCO</i>)</li></ul></li></ul> <p><u>Fees and Processing Timeline:</u></p> <ul style="list-style-type: none"><li>○ Levy of RM10,000 (Ringgit Malaysia: Ten Thousand Only) and application fee of RM500 (Ringgit Malaysia: Five Hundred Only) will have to be paid during application for consent.</li><li>○ The whole process will be shortened to Two (2) weeks as compared to the normal process which takes Three (3) months</li></ul> |
|---------------------------------|---|

### 3. Justifications for (Land) Incentives to Foreigner

The Johor State Government through the Land and Mines department (PTG) has always encouraged and support foreign investment into Medini Iskandar Malaysia. The following justification would justify the issuance of various incentives to development in medini:

1. A world-class approved development of 2,230 acres/96 million sq ft with Gross floor area of 182 million sq ft complete with infrastructure
2. Medini is specially designed as an international metropolis which is able to attract international population and tourists to live within a sustainable development
3. Medini, being in one of the flagships in Iskandar Malaysia, is located within the Nusajaya Flagship Area

#### CHRONOLOGY OF APPROVAL PROCESS FOR THE INCENTIVES AND SUPPORT PACKAGE BY THE JOHOR STATE AUTHORITY FOR MEDINI ISKANDAR MALAYSIA

| ref | List of Incentives  |
|-----|---|
| 1   | <p>Johor State Council Meeting (ref: RM 1290/2008 bertarikh 30.7.2008) UPEN(J) 6/4/81 (12) dated 29.8.2008:</p> <ol style="list-style-type: none"> <li>i. Exemption from Bumiputra Quota</li> <li>ii. Exemption from development of Low Cost Houses</li> <li>iii. Consent to transfer to Foreign Company/Foreign Citizen (Lease/Transfer of Lease/Sub-lease) for commercial development. This exemption is granted leases/sub-leases at MCLD/SLI levels (not transfer of lease intended for residential purposes)</li> <li>iv. Transfer of land or lease from land owner (Iskandar Investment Barhad) to purchaser/ lessee of a unit would require an application to be made through IRDA. Applicant will be subject to an amount of fee to be imposed by the State Authority.</li> </ol>   |
| 2   | <p>Johor State Council Meeting dated 29.12.2010; ref: (8) dalam PTG 02/03/03/0100/0009/2009/0377/2009 Jld 2 dated 6.1.2011.</p> <p>Cancellation of the following Restriction in Interest in respect to lands in Medini</p> <ol style="list-style-type: none"> <li>i. The land owner is not allowed to offer or sell building parcels on this land unless construction of the building has started in accordance with the approved plan by State Authority</li> <li>ii. Whenever the building plots constructed on this land is owned by a bumiputera individual/bumiputera company, such building plots cannot thereafter be disposed, leased or transferred by whatever means to a non-bumiputera individual/ non-bumiputera company without the consent of the State Authority</li> <li>iii. The building plots constructed on this land cannot be disposed or transferred by whatever means to a non-citizen or foreign company without the consent of the State Authority.</li> </ol> |

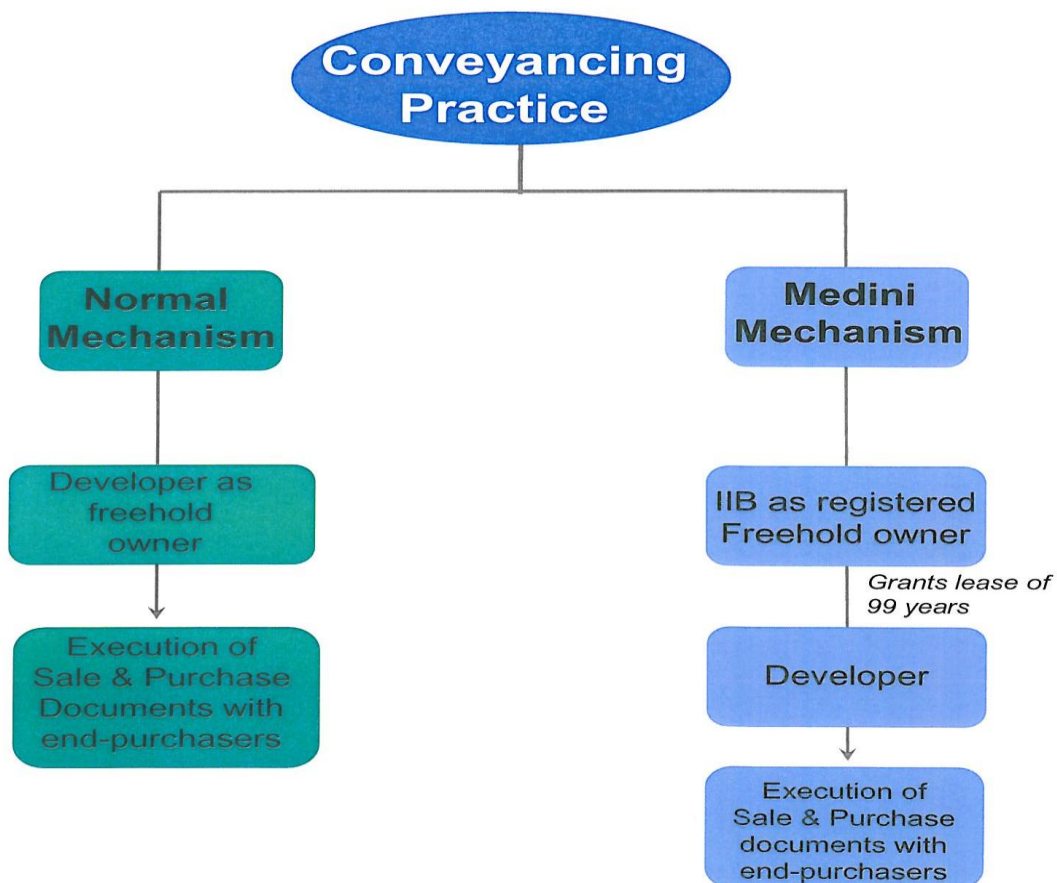
|   |   |
|---|---|
| 3 | <p data-bbox="325 197 1321 271">Johor State Council Meeting (Ref: RM 3317/2010 bertarikh 29.12.2010; UPEN(J)9-11/12/8 dated 31.1.2011:</p> <ul data-bbox="357 304 1409 584" style="list-style-type: none"><li data-bbox="357 304 1409 443">i. All applications by foreign interest whether directly (including transfer /lease/ transfer of lease) and indirectly (through acquisition which results in change of control in a company) are exempted from the new PTG Guideline No. 1 of Year 2010 (Guidelines on Acquisition of Properties in Johor by foreign interest).</li><li data-bbox="357 450 1409 584">ii. All matters relating to transfer of properties to foreign interests including properties below the amount of RM500,000 can be registered without the approval of the Economic Planning Unit (Prime Minister's Department) being obtained.</li></ul> |
|---|---|

## DIFFERENCE BETWEEN CONCEPT OF ACQUISITION OF PROPERTY IN MEDINI AND THE NORMAL CONCEPT PRACTISED IN MALAYSIA.

Since the investment and development concept in Medini involves local retention of freehold ownership, the concept of ownership in Medini is based on lease structure whereby at the end of the lease period, the land will revert to Iskandar Investment Berhad (IIB). Each transaction carried out by the registered lessee will only involve transaction of lease and not the freehold title of the land.

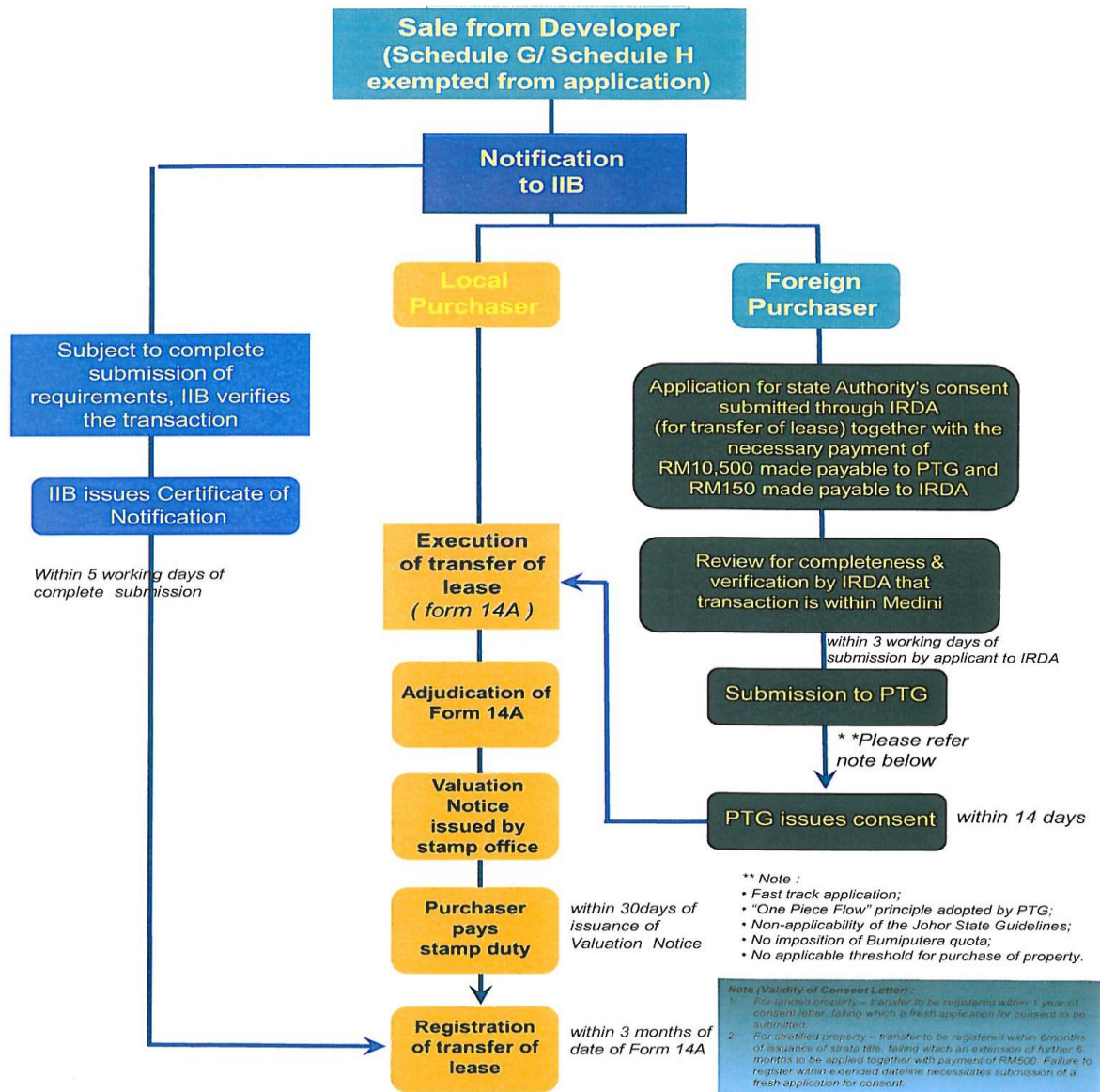
### ► Typical Property Transaction in Malaysia

*Sale of Property from developer (where freehold title is issued)*



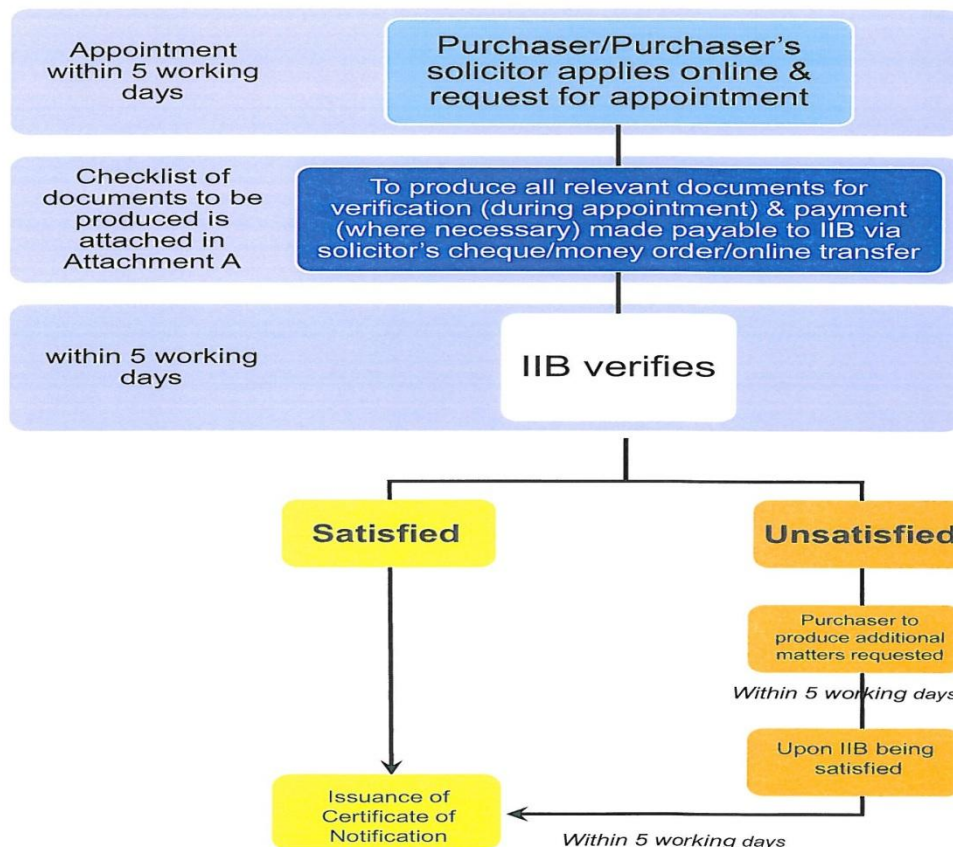
Difference between concept of acquisition of property in Medini and the normal concept practised in Malaysia

## TRANSACTION MECHANISM FOR TRANSFER OF LEASE (FORM 14A OF THE NLC) IN MEDINI, ISKANDAR MALAYSIA (END USER)



Transaction Mechanism for transfer of lease in medini (for end user)

**APPLICATION FOR CERTIFICATE OF NOTIFICATION BY END USER TO IIB  
(ISKANDAR INVESTMENT BERHAD)**



Mechanism for application of Certificate of Notification by End User to IIB

## CONDITIONS OF APPLICATION

- a. Applicant must be a foreign citizen / foreign company
- b. Development area / land to be developed must be situated in Node 1 (Medini)
- c. Applicant must be an End User i.e. being a lessee subsequent to MCLD/SLI acquiring such interest from a transfer of lease or a sub-lease from MCLD/SLI. The End User does not intend to develop the property but to stay/reside on the property instead.
- d. Applicant is required to pay the levy together with its application fee amounting to RM10,500 in the name of Pengarah Tanah Galian. (can be paid through IRDA)
- e. The consent letter issued by PTG is valid for a period of 1 year from the date of the consent letter or 1 year from the date of issuance of strata titles (as the case may be):
  - I. The transfer is required to be registered within 6 months of such dates (as the case may be) failing which payment of RM500 will be imposed Provided Always that it is still within the 1 year period mentioned above (as the case may be).
  - II. Where strata title has been issued at the time of application, the period of 1 year will start from the date of the Consent Letter.
  - III. However, where strata title has not been issued at the time of application (application based on Master Title), the period of 1 year commences from the date of issuance of strata title.
  - IV. If registration is not done within 1 year of the stipulated events in items II and III above (as the case may be), the earlier consent granted becomes A NULLITY AND NO LONGER VALID.
  - V. This means, if that party/parties is still interested to continue with the transaction, new application together with approval fee and payment of levy will need to be made.

Example:

| Application with strata title                                     | Application without strata title<br><i>(Master title)</i>  |
|---|--|
| <u>Example:</u><br>Start date : 1.1.2011<br>End date : 31.12.2011 | <u>Example:</u><br>Start date : 1.1.2011 (Consent Letter)<br>Date of issuance of Strata Title: 31.12.11<br>Consent Letter expiry date : 31.12.12 |

- f. Consent Letter for foreign acquisition will be issued by the Land and Mines department (PTG).
- g. Documents to be submitted by the applicant to IRDA:
- Form 24/49 or Form 89/79 (End User)
  - Company Resolution or extract of minutes of meeting (End User) } If company
  - Photocopy of passport and valid identification card (if individual)
  - Photocopy of Master Land title /photocopy of strata title
  - Photocopy of Sale & Purchase Agreement
  - Photocopy of the current Quit Rent
  - Certificate of Notification from IIB (can be sent later)
  - To complete form PTG KA6/2005
  - Payment of RM 500.00 application fee for each land title in the name of Pengarah Tanah Galian Johor
  - Payment of RM 150.00 application fee for each land title in the name of Pihak Berkuasa Wilayah Pembangunan Iskandar
  - Payment of RM10,000 Levy in the name of Pengarah Tanah Galian Johor.
  - Photocopy of Form 15A/14A which is to be registered with PTG
- Statutory Declaration from the applicant (as in Appendix B)

## Enquiries :

For any inquiries, please contact:

| Department                                     | Address   | Contact   |
|--|---|---|
| Land and Mines department (PTG)                | Pejabat Tanah dan Galian Negeri Johor, Tingkat 3, Sayap Barat, Bangunan CS2, Kota Iskandar, 79576 Nusajaya. | <u>Foreign Consent Unit</u><br>(Pn Suhailizan bt Suliman atau Tn Hj Zainabdin b Ahmad)<br><br>07-2666880 (Tel)<br><br>07-2661414 (Fax)  |
| Iskandar Regional Development Authority (IRDA) | #G-01, Blok 8, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor.   | <u>Iskandar Service Centre (Land Unit)</u><br>(En Mohamad Ismail b Hj Ibrahim atau Pn Nor Ezan bt Samad/Cik NurHanani bt Yazid)<br><br>07-2333000 (Tel)<br><br>07-2333001 (Fax) |

This Guideline is approved and is effective from the date of signature ;

Approved By \_\_\_\_\_

Designation \_\_\_\_\_

**APPENDIX A**



**SUBMISSION CHECKLIST FOR ISSUANCE OF CERTIFICATE OF NOTIFICATION**

**COMPULSORY DOCUMENT BY APPLICANT/ PURCHASER**

- 1. Copy of Passport / I.C. *(if individual applicant)*;
- 2. Copy of S&P / Lease Agreement *(evidencing sale)*:
- 3. Payment of RM50 (for local purchasers only);
- 4. Particulars of solicitors representing Applicant/Purchaser.   
*(if applied individually)*

**ADDITIONAL DOCUMENTS WHERE APPLICANT IS A COMPANY**

- 1. Forms 9, 24, 44 & 49;
- 2. Form 89 or 79;
- 3. Company resolution / Extract of minutes of meeting in respect of the acquisition.

|   |                          |
|---|--------------------------|
| <b>For IIB's Internal Use Only</b><br><i>(tick to indicate document has been sighted and details therein are consistent with information provided in this application form)</i> |                          |
| Agreement   | <input type="checkbox"/> |
| Local; or   | <input type="checkbox"/> |
| Foreigner   | <input type="checkbox"/> |
| Commercial land use; or   | <input type="checkbox"/> |
| Residential; or   | <input type="checkbox"/> |
| Others .....  | <input type="checkbox"/> |
| Lease; or   | <input type="checkbox"/> |
| Sublease; or  | <input type="checkbox"/> |
| Transfer of lease; or   | <input type="checkbox"/> |
| Transfer of title   | <input type="checkbox"/> |
| Encumbrances (if any)   | <input type="checkbox"/> |
| Details: .....  |                          |

|  |   |
|--|---|
| <p><i>Recommendation by Evaluation Officer :</i></p> <p><input type="checkbox"/> <i>Approve</i></p> <p><input type="checkbox"/> <i>Reject (stated reason)</i></p> <p>_____</p> <p><i>Signature</i></p> | <p><i>Endorsement by Superior :</i></p> <p><input type="checkbox"/> <i>Approve</i></p> <p><input type="checkbox"/> <i>Reject (stated reason)</i></p> <p>_____</p> <p><i>Signature</i></p> |
|--|---|

APPENDIX B

Statutory Declaration

I, (Name.....), NRIC No  
....., Nationality.....,

Address.....  
.....

am the purchaser for Lot No....., Land title  
No....., Mukim..... via lease transfer  
from the Developer.....

I will,

1. comply with the Laws of Malaysia
2. Not involved in crime

All information and documents given/provided are true and if I am  
discovered to be providing false information/document, I am prepared  
to be penalized for such reasons.

Signature

Commissioner for Oaths