



Mandatory Digital Execution of e-SPA under Malaysia's HIMS from 1 January 2026 : Legal Implications and Practical Considerations

Introduction

As part of Malaysia's continued digitalisation of housing administration, the Ministry of Housing and Local Government (Kementerian Perumahan dan Kerajaan Tempatan ("**KPKT**")) has introduced mandatory digital execution of Sale and Purchase Agreements for new residential property transactions through the Housing Integrated Management System ("**HIMS**").

With effect from 1 January 2026, all new residential property purchases are required to be executed electronically via the electronic Sale and Purchase Agreement ("**e-SPA**") framework.

This initiative marks a significant regulatory shift in the administration of housing transactions, replacing traditional wet-ink signing with a secure digital process that incorporates identity verification and digital signatures.

This legal update outlines the legal framework underpinning the mandatory e-SPA regime, explains the operational mechanics under HIMS (including the use of the iDsayu application) and highlights key legal and practical considerations for developers, purchasers and legal practitioners.

1. Overview of HIMS and the Mandatory e-SPA Regime

HIMS is an integrated digital platform developed and administered by KPKT to centralise the management, monitoring and regulation of housing development projects in Malaysia. Among its core functions is the administration of statutory sale and purchase agreements prescribed under the Housing Development (Control and Licensing) Act 1966 ("**HDA**") and the Housing Development (Control and Licensing) Regulations 1989 ("**Regulations**").

Starting 1 January 2026, the digital execution of e-SPA under HIMS becomes mandatory for all new residential property launches and purchases effected on or after that date.

This requirement applies to all Schedules G, H, I and J (statutory forms of sale and purchase agreements) of the Regulations ("**Scheduled SPAs**") now need to be generated using the HIMS platform. Transactions completed prior to the effective date are not affected.



2. Legal Basis for Digital Signing of e-SPA

2.1 Digital Signatures and Electronic Execution

The digital signing of e-SPA under HIMS is designed to comply with Malaysia's electronic transaction framework, in particular the Digital Signature Act 1997 ("**DSA**") which governs the use of digital signatures supported by Public Key Infrastructure ("**PKI**"). Digital signatures executed through the prescribed system carry legal recognition, provided that the statutory requirements relating to authentication, integrity and non-repudiation are met.

The HIMS e-SPA framework adopts a PKI-based digital signing process, enhancing security and reducing the risk of forgery or impersonation. This distinguishes the process from basic electronic signatures and strengthens the enforceability of digitally executed agreements.

2.2 Continued Application of Housing Laws

Notwithstanding the shift to digital execution, the substantive provisions of the HDA and its subsidiary regulations remain fully applicable. The prescribed form, mandatory clauses and statutory protections afforded to purchasers remain unchanged. The digitalisation initiative affects only the mode of execution and administration (including stamping), not the legal content or regulatory safeguards of the Scheduled SPAs.

3. Role of iDsaya in Identity Verification and Signing

A key feature of the mandatory e-SPA process is the use of the iDsaya mobile application, which functions as the identity verification and digital signing tool within the HIMS ecosystem.

3.1 Identity Verification (KYC)

Purchasers are required to complete an Electronic Know-Your-Customer (eKYC) verification process via iDsaya before they are permitted to digitally sign the e-SPA. This step is critical to ensure that the identity of the signatory is accurately established and securely linked to the digital signature.

3.2 Digital Signing Process

Once verification is completed, the purchaser may execute the e-SPA digitally through the iDsaya app. The signing process is recorded within HIMS, generating an electronic audit trail that captures the identity of the signatory, the time of execution and the integrity of the document.



4. Operational Mechanics of e-SPA under HIMS

Under the HIMS framework, the e-SPA is generated in the prescribed format and made available electronically to the relevant parties. Execution is carried out digitally by the developer and the purchaser, following the required sequence within the system.

Upon completion, the digitally signed e-SPA is stored within HIMS as an official record accessible for regulatory oversight. This centralised digital repository enhances transparency, reduces reliance on physical documentation and streamlines compliance monitoring by KPKT.

5. Key Legal and Practical Implications

5.1 Enforceability and Evidential Value

Where the digital signing process complies with the DSA and HIMS requirements, the e-SPA is legally binding and enforceable. The PKI-based digital signature and system-generated audit trail strengthen the evidential value of the agreement in the event of a dispute.

5.2 Role of Lawyers and Due Diligence

Importantly, the introduction of mandatory e-SPA does not eliminate the need for legal representation. Purchasers are still entitled and ought to be advised by lawyers on the terms of the agreement and legal due diligence remains a critical component of the transaction. Lawyers continue to play an essential role in advising clients, ensuring compliance and acting as witnesses where required.

5.3 Compliance and Risk Management for Developer

Developers must ensure that their internal workflows, authorised signatories and timelines are aligned with HIMS requirements. Failure to adhere to the prescribed procedures may expose developers to regulatory and compliance risks under the HDA.

6. Practical Considerations for Stakeholders

Stakeholders should take note of the following practical issues:

- Early preparation: Purchasers are strongly encouraged to complete iDsaya registration and KYC verification well in advance to avoid delays in execution.
- Digital readiness: Adequate guidance should be provided to purchasers who are unfamiliar with digital signing processes.



- Data protection and cybersecurity: Developers and advisers should remain mindful of data privacy obligations when handling digital records.
- Transaction planning: The efficiency of digital signing may shorten execution timelines, requiring closer coordination between developers, purchasers and legal advisers.

Conclusion

The mandatory digital execution of e-SPA under HIMS represents a significant milestone in the modernisation of Malaysia's housing transaction framework. By integrating secure digital signatures, identity verification through iDsaya and centralised administration under KPKT, the initiative aims to enhance security, efficiency and transparency in regulated property transactions.

Whilst the transition offers clear operational advantages, it also underscores the importance of legal awareness, early preparation and continued professional advice. Developers, purchasers and legal practitioners should familiarise themselves with the new requirements to ensure a smooth and compliant adoption of the mandatory e-SPA regime.



Siew See See

Partner – Real Estate, Banking
and Finance

d +603 2691 1200

e siewseesee@cheangariff.com

Click **here** to view Siew See See's
profile.

This Legal Update is contributed by the Contact Partner listed above, with the assistance of Seow Kiat Hoi, Kate (Associate, Cheang & Ariff).