



LAWS OF MALAYSIA

REPRINT

Act 648

LOAN (LOCAL) ACT 1957

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LOAN (LOCAL) ACT 1957

First enacted		1957 (Ord. No. 68 of 1957)
Revised		2006 (Act 648 w.e.f 30 March 2006)

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Act 648

LOAN (LOCAL) ACT 1957

An Act to authorize a sum of two hundred million ringgit to be raised in Malaysia by way of loan for certain public works and for other purposes.

[19 December 1957]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Loan (Local) Act 1957.

Interpretation

2. (1) In this Act, unless the context otherwise requires—

“local stock” means any stock issued in Malaysia under this Act or under any of the written laws set out in the First Schedule;

“Minister” means the Minister for the time being charged with the responsibility for finance;

“trustee stock” means any of the securities mentioned in section 4 of the Trustee Act 1949 [Act 208].

- (2) (*Omitted*).

PART II

AUTHORIZATION AND APPLICATION OF LOAN

Power to raise loan

3. (1) The Minister may from time to time raise, by the issue of stock in the manner hereinafter provided, a sum of money not exceeding in the whole the sum of two hundred million ringgit to be applied in the manner provided and such further sums as may be necessary to defray the expenses of issues of stock or Treasury Bills under this Act.

(2) The loan hereby authorized shall be raised in Malaysia by the issue of registered stock under Part III.

Principal and interest charged on Consolidated Fund

4. The principal moneys and interest represented by stock issued under this Act are charged upon and shall be payable out of the Consolidated Fund.

Application of loan

***5.** The money raised under this Act other than sums required to defray the expenses of issues of stock or Treasury Bills under this Act shall be paid into the Development Fund specified in the Second Schedule to the Financial Procedure Act 1957 [*Act 61*] and shall be applied only to the purposes of such fund.

6. (*Deleted by Ord. No. 18 of 1958*).

PART III

PROVISIONS APPLICABLE TO STOCK

Issue and form of stock

7. (1) Stock issued under this Act shall be issued by the Treasury upon such terms as may be approved by the Minister and shall be authenticated either by the signature of the Secretary General to the

*NOTE—This section was amended by Ord. No. 18 of 1958, which has been repealed by Act No. 70 of 1966 (revised as Act 406).

Treasury or by a facsimile of such signature or in such manner as may be approved by the Secretary General to the Treasury.

(2) Stock issued under this Act shall be in such form as the Secretary General to the Treasury may from time to time approve.

Refusal of application

8. Any application to take up stock issued under this Act may be refused by the Secretary General to the Treasury without reason assigned.

Register of stock

9. (1) All stock issued under this Act shall be entered in a register to be kept for the purpose by the Treasury in such form as may from time to time be approved by the Secretary General to the Treasury.

(2) All stock issued under this Act and the right to receive the principal moneys and interest represented thereby shall be transferable by an instrument of transfer registered by the Treasury.

(3) No stock issued under this Act shall be registered except in the name of an individual person or persons or of a corporation.

Interest

10. (1) The interest upon the principal moneys represented by any stock issued under this Act shall be paid half-yearly at the office of the Treasury.

(2) The Minister shall in each half-year ending with the day on which interest on stock issued under this Act falls due, appropriate out of the Consolidated Fund a sum equal to one-half year's interest on the whole of the stock so issued in order that the interest for such half-year may be paid from it.

Redemption of stock

11. Stock issued under this Act shall be redeemable on such dates as may be specified in the prospectus, after which dates all the interest on the principal moneys represented thereby shall cease and determine, whether payment of such principal moneys shall have been demanded or not.

Sinking fund

12. (1) Commencing not later than two years after the date on which interest on stock issued under this Act shall commence to run, the Minister shall in each half-year ending on the day on which interest on such stock falls due in addition to the sum appropriated in accordance with subsection 10(2), appropriate out of the Consolidated Fund for the formation of a sinking fund a sum equal to one half of the annual contributions specified in the prospectus relating to the issue of such stock.

(2) If at any time the Minister is satisfied that the value of the sinking fund will be sufficient with further accumulations of interest but without further payment of such contribution to enable the loan to be redeemed out of the proceeds of the sinking fund when the same falls due to be redeemed, the Minister may suspend further payments of such contribution to the sinking fund:

Provided that the Minister may at any time recommence payment of such contribution if he considers this to be necessary.

(3) The Minister may, at any time, apply all or any part of the moneys in the sinking fund created under this section to the purchase of trustee stock or local stock forming part of a loan which matures not later than the loan raised under this Act.

(4) The Accountant General shall in each year pay into the sinking fund created under this section a sum equivalent to the annual interest which would have been payable on any local stock purchased under subsection (3) if such stock had not been purchased as aforesaid.

Application of sinking fund

13. The sinking fund created under section 12 shall be applied in the first place in payment of all expenses of, or incidental to, the management of the sinking fund and the redemption of the stock issued under this Act, and then in repayment of principal moneys represented by the stock.

Procedure if sinking fund insufficient

14. In case the sinking fund created under section 12 is insufficient for the repayment of all principal moneys represented by stock issued under this Act at the time when the same becomes due, the Minister shall make good the deficiency out of the Consolidated Fund.

Delivery up of stock on repayment

15. Before the repayment of the principal moneys represented by any stock issued under this Act, such stock shall be delivered up to the Treasury for cancellation.

PART IV

GENERAL

16. (*Deleted by Ord. No. 18 of 1958*).

Power to issue Treasury Bills and to repay expenditure in respect thereof from loan

17. (1) In anticipation of raising any loan or any part of any loan under the authority of this Act, the Minister may, if he thinks fit, raise such sum not exceeding the amount of such loan or part of a loan as he may deem necessary by the issue of Treasury Bills under the Treasury Bills (Local) Act 1946 [*Act 188*].

(2) Every sum raised under subsection (1) shall be applied in the manner authorized for the loan or part of the loan in respect of which such sum is raised and upon the raising of such loan or part of such loan the Minister may —

- (a) expend from it such amounts as may from time to time be necessary to meet the liabilities of the Government in respect of any Treasury Bills issued under subsection (1);
or
 - (b) where any such liabilities in respect of Treasury Bills have been met in the first instance out of the Consolidated Fund, refund to the Consolidated Fund such sums as may have been expended from it for that purpose.
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FIRST SCHEDULE

[Section 2]

No.	Title
F.M.S. Cap 128 [<i>Repealed by Act 70/1965</i>]	The Loan Enactment
F.M.S. Enactment No. 12/1936	The Federated Malay States Loan Enactment 1936
F.M.S. Enactment No. 16/1940 [<i>Repealed by Act 70/1965</i>]	The War Loan Enactment 1940
F.M.S. Enactment No. 9/1941 [<i>Repealed by Act 70 of 1965</i>]	The War Loan Enactment 1941
Malayan Union Ordinance No. 10/1946	The Loan Ordinance 1946
Federation of Malaya Ordinance No. 16/1949	The Loan Ordinance 1949
Federation of Malaya Ordinance No. 59/1951	The Loan Ordinance 1951
Federation of Malaya Ordinance No. 56/1953 [<i>Repealed by Act 22/1963</i>]	The Loan Ordinance 1953
Federation of Malaya Ordinance No. 12/1955	The Loan Ordinance 1955
Federation of Malaya Ordinance No. 27/1955	The Loan (State of Brunei) Ordinance 1955

SECOND SCHEDULE

(*Deleted by Ord. No. 18 of 1958*)

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LIST OF AMENDMENTS

Amending law	Short title	In force from
Ord. No. 18/1958	The Development Fund Ordinance 1958	01-01-1958
Act 70/1966	Development Funds Act 1966	01-01-1967
Act 406	Development Funds Act 1966	01-01-1967
Act 160	Malaysian Currency (Ringgit) Act 1975	29-08-1975
P.U. 506/1967	Notification under Titles of Office Act 1949 [<i>Act 399</i>]	02-11-1967

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LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
5	Ord. No. 18/1958	01-01-1958
6	Ord. No. 18/1958	01-01-1958
16	Ord. No. 18/1958	01-01-1958
SECOND SCHEDULE	Ord. No. 18/1958	01-01-1958

