



LAWS OF MALAYSIA

Act 218

**PALM OIL RESEARCH AND DEVELOPMENT
ACT 1979**

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LAWS OF MALAYSIA

Act 218

PALM OIL RESEARCH AND DEVELOPMENT
ACT 1979

An Act to establish the Malaysian Palm Oil Research and Development Board and for the establishment and administration of a Fund for the purpose of financing research and to provide for matters connected therewith.

[15th May, 1979]

PUB 240/79

BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows :

PART I

PRELIMINARY

1. (1) This Act may be cited as the Palm Oil Research and Development Act 1979, and shall come into force on such date as the Minister may by notification in the *Gazette* appoint. Short title, commencement and application.

(2) This Act shall apply throughout the whole of Malaysia.

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

Interpretation.

“approved programmes” means programmes approved by the Board;

“Board” means the Malaysian Palm Oil Research and Development Board established under section 3;

“Chairman” means the Chairman of the Board appointed under section 3;

“Director-General” means the Director-General appointed under section 8 and includes a Deputy Director-General;

“Fund” means Palm Oil Research Fund established under section 10;

“Institute” means the Palm Oil Research Institute of Malaysia to be established under section 7;

“member” means a member of the Board, and includes an alternate member;

“Minister” means the Minister for the time being charged with the responsibility for the oil palm industry;

“officer, servant or agent” means an officer, servant or agent of the Board;

“oil palm” means species of the genus *Elaeis* and includes hybrids of these species and hybrids resulting from crossing these species with any other species of palm;

“oil palm products” means products obtained directly from the oil palm or wholly or partly manufactured from such products; and

“palm oil” means oil, whether in crude or further processed form, extracted from oil palm fruits and seeds.

PART II THE BOARD

Constitution
of Board.

3. (1) There shall be established in this Act a body corporate called the Palm Oil Research and Development Board, which shall have perpetual succession and a common seal and power to acquire and hold, dispose of or otherwise deal with any movable and immovable property and which may sue or be sued in its corporate name.

(2) The Board shall consist of the following members who shall be appointed by the Minister:

- (i) a chairman;
- (ii) a representative of the Ministry responsible for the oil palm industry;
- (iii) a representative of the Treasury;
- (iv) a representative of the Federal Land Development Authority;
- (v) three representatives from oil palm producers and one representative from palm oil refiners;
- (vi) a representative of Palm Oil Registration and Licensing Authority; and

(vii) such other persons, not being more than three in number, to represent other interests of the oil palm industry or the Government.

(3) The Director-General shall be a member of the Board.

(4) The members shall be appointed from among persons whom the Minister considers qualified and experienced in matters relating to science, technology, marketing, finance or administration in the oil palm industry.

(5) The Board shall exercise its functions and perform its duties in accordance with the Schedule.

4. (1) The Minister may, in respect of each member other than the Chairman, appoint, on the nomination of the member, a person to be his alternate to attend meetings of the Board which the member for any reason is unable to attend. Alternate members.

(2) A person shall, unless he sooner resigns or his appointment is sooner revoked, cease to be an alternate member if the member for whom he is an alternate ceases to be a member.

5. (1) The Board shall exercise the following functions: Functions of the Board.

- (a) to conduct and promote research into the production, extraction, processing, storage, transportation, marketing, consumption and uses of palm oil and oil palm products;
- (b) to secure, where the public interest or the interest of the oil palm industry so requires, the development and exploitation of any result of research, as to which it appears to the Board that it is not being developed and exploited or sufficiently developed or exploited;
- (c) to acquire, hold, dispose of or grant rights in connection with the result of any research conducted by the Board or, where the public interest or the interest of the oil palm and palm oil industries so requires, in connection with the result of any research undertaken by any person or organisation;
- (d) to control and coordinate the activities and policies of all research and development organisations financed wholly or mainly from the Fund;

- (e) to ensure that it is kept fully informed on the relevant activities and policies of all research and development organisations financed partly by the Fund;
- (f) to collect, collate and disseminate information relating to oil palm, palm oil, oil palm products and other vegetable and animal oils and fats, and to promote the use of palm oil and oil palm products in competition with other materials or as complementary thereto;
- (g) to coordinate activities within and outside the Federation relating to research, development, publicity and other matters affecting the oil palm and palm oil industries;
- (h) to keep the Minister fully informed on all matters relating to research into and the development of oil palm and the palm oil industries; and
- (i) to exercise such other functions as the Minister may, from time to time, direct.

(2) The Board may do all things reasonably necessary for, or expedient or incidental to, the exercise of its functions, in particular but without prejudice to the generality of this section—

- (a) to enter into contract with or commission any person or body to carry out research; and
- (b) to provide consultancy services to the public.

General directions.

6. The Minister may, after consultation with the Board, give to it directions of a general character as to the exercise of its functions, and the Board shall comply with any such directions.

PART III

THE INSTITUTE

Institute.

7. (1) The Board shall establish and manage a research institute to be called the Palm Oil Research Institute of Malaysia for the purpose of exercising its functions under this Act.

(2) The Board shall in relation to the Institute—

- (a) determine the number and grades of staff and experts required by the Institute;



- (b) appoint the staff of the Institute (other than the Director-General and Deputy Directors-General);
- (c) determine the priority of the research activities of the Institute and approve the annual programmes of research and the estimates of expenditure necessary for the establishment and carrying out the work and administration of the Institute;
- (d) ensure that the approved programmes are duly carried out and that the expenditure incurred is in accordance with the estimates;
- (e) ensure that the expenditure for the establishment, administration and the carrying out of approved programmes is in accordance with the estimate; and
- (f) have such other power as may be necessary for the management of the Institute.

8. (1) There shall be appointed by the Minister a Director-General and one or several Deputy Directors-General of the Institute.

Director-General and Deputy Directors-General.

(2) The Director-General and the Deputy Directors-General shall be appointed on such terms and conditions and for such period as the Minister, after consultation with the Minister of Finance, shall determine.

9. (1) The Director-General shall be the chief executive officer of the Institute and shall apart from having such powers and duties specified in subsection (2) or as the Board thinks fit to confer or impose on him, have all the powers and duties necessary for carrying out the administration and technical functions of the Institute.

Powers and duties of Director-General and Deputy Directors-General.

(2) The Director-General shall—

- (a) submit for the approval of the Board—
 - (i) annual programmes of research and financial proposals connected therewith; and
 - (ii) the estimates of expenditure necessary to carry out the administration of the Institute;
- (b) ensure that the approved programmes are duly implemented and that the expenditure for carrying out the approved programmes and for the administration of the Institute is in accordance with the estimates approved by the Board; and

(c) keep the Board fully informed of the progress of research, development and advisory work, and to prepare and submit to the Board as soon as possible after the end of each financial year a report dealing with the administration of the Institute accompanied by a statement of income and expenditure for the year just ended together with a balance sheet as at the end of the year.

(3) In the exercise of his powers and the performance of his duties, the Director-General shall be assisted by the Deputy Directors-General.

(4) Where the Director-General is unable to exercise his functions on grounds of sickness, absence or any other cause, one of the Deputy Directors-General shall exercise the functions of the Director-General.

PART IV

FINANCIAL PROVISIONS

Establish-
ment of
Palm oil
Research
Fund.

10. (1) There shall be established and maintained a fund to be known as the Palm Oil Research Fund which shall be administered by the Board.

(2) The following shall be paid into the Fund :

- (a) any grant made to the Board by the Federal or any State Government;
- (b) all monies collected under section 14;
- (c) all monies borrowed by the Board under section 11;
- (d) all monies earned or arising from any investment under section 12 or from any properties, mortgages, charges or debentures; and
- (e) monies received from other sources.

(3) The Fund shall be applied for defraying the following :

- (a) expenses incurred by the Board in administering the Fund and in exercising its functions under this Act;
- (b) expenses for research and development concerned with the production, extraction, processing, storage, transportation, marketing, consumption and uses of palm oil and oil palm products;



- (c) the dissemination of information and publicity aimed at stimulating increase or improvement in the production, marketing and consumption of palm oil and oil palm products;
- (d) the provision of funds to the Institute and to any other organisation which the Board thinks expedient from time to time to commission research, development or publicity activities;
- (e) contributions to international bodies of which the Federation is a participating country dealing with the supply and demand of palm oil and oil palm products or with research upon or the development of palm oil and oil palm products; and
- (f) repayment of monies borrowed by the Board under section 11.

11. The Board may, with the approval of the Minister, and after consultation with the Minister of Finance, borrow monies for the purpose of exercising its functions. Power to borrow.

12. The Board may, from time to time, with the approval of the Minister and after consultation with the Minister of Finance, invest the Fund or any part thereof, not being immediately required for meeting its obligations or exercising its functions, in any investment or securities for the time being authorised for the investment of trust funds under any written law. Power to invest.

13. The Board shall be exempted from any payment imposed under any written law relating to stamp duty. Stamp duty exemption.

PART V

CESS

14. (1) The Minister may, after consultation with the Board and with the Minister of Finance, make orders for the imposition, variation or cancellation of a research cess on palm oil; and the orders may specify the nature, the amount and rate and the manner of collection of the cess. Research cess.

(2) Except as may be otherwise provided in any such order, such cess shall be deemed for the purposes of collecting and enforcing the collection, to be a customs duty imposed under the Customs Act 1967.

(3) Every such order shall be published in the *Gazette* and shall be laid on the table of the Dewan Rakyat as soon as practicable after the publication of such order in the *Gazette*.

PART VI

AUDIT AND ANNUAL REPORT

Accounts
and audit.

15. (1) The Board shall keep proper accounts and proper records in relation to the accounts, and shall prepare in respect of each financial year of the Board a statement of accounts in such form as the Minister may direct.

(2) The accounts of the Board shall be audited by auditors to be appointed annually by the Board.

(3) After the end of each financial year, as soon as the accounts of the Board have been audited, the Board shall, not later than the 30th June of each year, cause a copy of the statements of account to be transmitted to the Minister together with a copy of the observations made by the auditor on any statement of account or on the accounts of the Board.

(4) The Minister shall cause a copy of the statements of account and a copy of the observations transmitted to him under subsection (3) to be laid on the table of each House of Parliament.

Information
and annual
report.

16. (1) The Board shall cause to be furnished to the Minister such information concerning the activities of the Board as the Minister may from time to time require.

(2) The Board shall, as soon as possible after the end of each financial year, cause to be submitted a report of its activities, accompanied by a statement of its expenditure and revenue, to the Minister. The Minister shall cause to be laid a copy of every report of the Board on the table of the Dewan Rakyat.

PART VII

SUPPLEMENTARY

Amendment
of section
3 (a) of Act
11 and
repeal of
sections 15
(5), 15 (6),
15 (7) and
16 (3) of
Act 179.

17. Upon the coming into force of this Act—

(a) section 3 (a) of the Malaysian Agricultural Research and Development Institute Act 1969, is amended by inserting immediately after the word “rubber”, the words “and oil palm”; and

(b) sections 15 (5), 15 (6), 15 (7) and 16 (3) of the Palm Oil Registration and Licensing Authority (Incorporation) Act 1976, are repealed.

SCHEDULE

(Section 3 (5))

1. The Minister may make regulations with respect to—
 - (a) the appointment of the members and their tenure and vacation of office; and
 - (b) the execution of specified instruments and the proof of such documents purporting to be executed, issued and signed by the Board or a member or officer thereof.
2. Where the Chairman is unable to exercise his functions due to sickness, absence or any other cause, the Minister shall appoint from amongst the other members a temporary Chairman to exercise the powers and perform the duties of the Chairman.
3. (1) At any meeting of the Board, six members shall form a quorum.
(2) Decision of the Board shall be taken by a simple majority of the members present and voting at a meeting of the Board.
(3) The Chairman shall vote as a member but in the event of an equality of votes he shall not have any casting vote and shall in such event refer the issue to the Minister, whose decision shall be final.
(4) Subject to paragraph 2, in the absence of the Chairman from a meeting, the members present shall elect from amongst themselves a Chairman to preside at the meeting.
4. The Board shall hold at least four meetings in each year.
5. The Chairman or any four members may convene a meeting of the Board.
6. The seal of the Board shall be affixed in the presence of the Chairman and one other member who shall sign every deed or other document or instrument to which such seal is affixed and such signing shall be *prima facie* evidence that such seal was duly and properly affixed and that the same is the lawful seal of the Board.
7. Subject to paragraphs 1, 2, 3, 4 and 5, the Board may regulate its own procedure.
8. (1) The Minister shall determine the terms and conditions of the appointment and the remuneration of the Chairman.
(2) The Minister may determine the allowance to be paid to members for attending meetings of the Board.
(3) The appointment of every member shall be published in the *Gazette*.
9. No member shall be liable for any loss or damage caused by any act done or omission made by him in the administration of the Board unless such loss or damage is occasioned by his own wilful act or default.

[Schedule]

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10. The Board shall in relation to its officers, servants and agents—
 - (a) pay such remuneration as the Board may determine; and
 - (b) subject to the approval of the Minister, provide for the payment of pensions, gratuities or other like benefits on the death or retirement of any officer, servant or agent.
11. The Board may provide for pensions, gratuities or other like benefits under this Schedule either by contributory or non-contributory arrangements or partly by the Board and partly by the officer, servant or agent, under a scheme which the Minister may prescribe by regulations.
12. (1) The Board may appoint such committees of its members, with or without other persons, as it may determine.
 - (2) Subject to any directions of the Board, a committee appointed under subparagraph (1) shall determine its own quorum and procedure.