



# LAWS OF MALAYSIA

Act 46

PERBADANAN PEMBANGUNAN BANDAR ACT, 1971

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**LAWS OF MALAYSIA****Act 46****PERBADANAN PEMBANGUNAN BANDAR ACT, 1971**

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## LAWS OF MALAYSIA

### Act 46

#### PERBADANAN PEMBANGUNAN BANDAR ACT, 1971

An Act to establish a corporate body by the name of the Perbadanan Pembangunan Bandar to promote and carry out urban development projects in certain areas in Malaysia and for purposes connected therewith.

\* 15-9-1971  
\* 1-6-1974 ]

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 Ra'ayat in Parliament assembled, and by the authority of the same, as follows:

#### PART I

#### PRELIMINARY

1. (1) This Act may be cited as the Perbadanan Pembangunan Bandar Act, 1971 and shall apply throughout Malaysia. Short title, extent, commencement and application.

(2) This Act shall come into force on such date as the Minister may by notification in the *Gazette* appoint; and the Minister may appoint different dates for the coming into operation of different provisions of this Act and different dates may be appointed for different States or parts of Malaysia.

(3) The Yang di-Pertuan Agong may by order suspend the operation of this Act or any of the provisions thereof in respect of any State or parts of Malaysia.

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

“Chairman” means the Chairman of the Perbadanan appointed under section 4;

\* Municipality of Kuala Lumpur on 15<sup>th</sup> September, 1971 - Pu(B) 311/71.

\* States of Malaysia on 1<sup>st</sup> June, 1974 - Pu(B) 244/74.

“committee” means a committee appointed under paragraph 4 of Part II of the First Schedule;

Act 125  
1991/65.

“company” has the same meaning as that assigned to “corporation” under subsection (1) of section 4 of the Companies Act, 1965;

“corporation” means a corporation established under section 33;

A. A 512

“Deputy Chairman” means the Deputy Chairman of the Perbadanan appointed under section 4;

A. A 512

“Deputy Director General” ---  
“Director” means a Director of a Division designated under section 12;

“Division” means a Division set up under section 12;

“Fund” means the fund established under section 19;

“Government” means the Federal Government and State Government;

“member” means a member of the Perbadanan appointed under section 4;

“Perbadanan” means the Perbadanan Pembangunan Bandar established under section 3;

“prescribe” shall, in relation to the Minister, mean prescribed by rules made by the Minister under this Act, and, in relation to the Perbadanan, mean prescribed by regulations made by the Perbadanan under this Act;

“Public authority” means a local authority or a statutory authority exercising powers vested in it by Federal or State law, or any officer or authority appointed by or acting on behalf of any such authority;

“Secretary” means the Secretary of the Perbadanan appointed under paragraph 1 of Part II of the First Schedule;

“sub-committee” means a sub-committee appointed under paragraph 4 of Part II of the First Schedule; and

“urban development area” means any area declared by notification in the *Gazette* from time to time, by the Minister as such for the purposes of this Act.

PART II

ESTABLISHMENT, FUNCTIONS, POWERS AND MEMBERSHIP  
OF THE PERBADANAN

3. (1) There is hereby established a body by the name of the "Perbadanan Pembangunan Bandar" with the following functions—

Establishment, functions and powers of the Perbadanan.

(a) to promote and carry out projects in urban development areas for—

(i) development, redevelopment, settlement, re-settlement and public housing; and

(ii) improvement in environment, services, amenities, traffic circulation, vehicle parking, recreational and community facilities and other public improvements for the promotion of national unity, health, safety, convenience and welfare; and

(b) to promote and carry out projects in urban development areas with a view to achieve the distribution of opportunities among the various races in the field of commerce and industries, housing and other activities; and

(c) to translate into action-programmes the government policy to re-structure society through urban development.

(2) The Perbadanan shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its name and subject to and for the purposes of this Act, may enter into contracts, and may acquire, purchase, take, hold and enjoy movable and immovable property of every description and may convey, assign, surrender, yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with, any movable or immovable property or any interest therein vested in the Perbadanan upon such terms as it deems fit.

(3) The provisions of the First Schedule to this Act shall have effect with respect to the Perbadanan.

Act A3A8

*Subject to the prior approval of the Minister, the Perbadanan*

(4) ~~The~~ Perbadanan shall have power to do all things expedient or reasonably necessary or incidental to the discharge of its functions, and in particular, but without prejudice to the generality of the foregoing—

- (a) to initiate preliminary studies of possible development and redevelopment areas and make—
  - (i) plans for carrying out a programme of voluntary repair and rehabilitation of buildings and improvements;
  - (ii) plans for the enforcement of laws relating to the occupancy of lands and buildings;
  - (iii) plans for the relocation of persons (including families, business concerns and others) displaced by a development or redevelopment project;
  - (iv) preliminary plans outlining development or redevelopment activities;
  - (v) preliminary surveys to determine if the undertaking and carrying out of development or redevelopment projects are feasible;
- (b) to co-operate with or act as agent or managing agent of or otherwise act in association with or on behalf of the Federal Government or any State Government, any public authority, any company, any corporation, any body or any person;
- (c) to promote and co-ordinate the carrying on of such activities by Governments, public authorities, any company, any corporation, or any other body or person;
- (d) to establish or expand, or promote the establishment or expansion of companies, corporations or other bodies to carry on any such activities either under the control or partial control of the Perbadanan or independently;
- (e) to give assistance to any public authority, company, corporation or other body or person appearing to the Perbadanan to have facilities for the carrying on of any such activities, including financial assistance by the taking up of share or loan capital or by loan or otherwise;
- (f) to purchase, underwrite or otherwise acquire any stock and shares in any public or private company, and to dispose of the same on such terms and conditions as the Perbadanan may determine; and

Act 3A8

PERBADANAN PEMBANGUNAN BANDAR

(g) to do all acts which the Perbadanan considers desirable or expedient.

<sup>3</sup> *The Perbadanan* ~~The Perbadanan~~ shall consist of the following members appointed by the Yang di-Pertuan Agong: *Members of the Perbadanan.*

- (a) a Chairman;
- (b) a Deputy Chairman;
- (c) two members who shall be public officers; and
- (d) three other members drawn from among persons who in the opinion of the Yang di-Pertuan Agong have experience or knowledge in commerce, finance or industry and have shown capacity to assist the Perbadanan in implementing its programmes to foster national unity.

*sub. by Act A348*

(2) Subject to the provisions of this Act, the Chairman and Deputy Chairman shall be fulltime officers of the Perbadanan and shall each be appointed upon such terms and conditions as the Yang di-Pertuan Agong may determine. *sub. by A.A. 512 Act A348*

(3) A member, ~~other than the Chairman and Deputy Chairman,~~ shall, unless his appointment is sooner resigned or revoked, hold office for such term not exceeding three <sup>two</sup> years and subject to such conditions as the Yang di-Pertuan Agong may specify in the instrument appointing him, and shall be eligible for re-appointment. *Act A348 Act A348*

(4) A member may at any time resign his office by letter addressed to the Yang di-Pertuan Agong *Minister*.

(5) The appointment of any member may at any time be revoked by the Yang di-Pertuan Agong without assigning any reason therefor.

(6) A member, ~~other than the Chairman and Deputy Chairman,~~ shall devote such time to the business of the Perbadanan as may be necessary to the discharge of his duties. *Act A348 Act A348*

<sup>(7)</sup> — — *Act*  
<sup>(8)</sup> — — *Act*  
5. The Public Authorities Protection Ordinance, 1948 shall apply to any action, suit, prosecution or proceeding against the Perbadanan or against any member, officer, servant or agent of the Perbadanan in respect of any act, neglect or default done or committed by him in such capacity. *Public Authorities Protection. F.M. 19/48.*

Public  
Servants.  
F.M.S.  
Cap. 45.  
~~Sabah Ord-  
3759.~~  
Sarawak  
Cap. 57.

6. All members, while discharging their duties as such members, shall be deemed to be public servants within the meaning of the Penal Code ~~applicable~~.

Act A348  
Power of  
Minister  
to give  
directions.

7. (1) The Perbadanan shall be responsible to the Minister, and the Minister may, from time to time, give directions not inconsistent with the provisions of this Act and the Perbadanan shall, as soon as possible, give effect to all such directions.

(2) Without prejudice to the generality of subsection (1), and subject to consultation with the Perbadanan, the power of the Minister to give directions shall extend to the giving to it of directions—

(a) as to the disposal of capital assets; and

(b) as to the application of proceeds of such disposals, notwithstanding that the directions may be of a specific character:

Provided that no such direction shall, so long as any sum borrowed by the Perbadanan in accordance with the provisions of this Act remains outstanding, be given except with the concurrence of the Minister of Finance.

Returns,  
reports,  
accounts  
and  
informa-  
tion.

8. (1) The Perbadanan shall furnish the Minister with all such returns, reports, accounts and information with respect to its property and activities as he may from time to time require.

(2) Without prejudice to the generality of the provisions of subsection (1), the Perbadanan shall, as soon as practicable, after the end of each financial year, cause to be made and transmitted to the Minister a report dealing with the activities of the Perbadanan during the preceding financial year and in such form and containing such information relating to the proceedings and policy of the Perbadanan as the Minister may from time to time direct.

Act A348

(3) The Minister shall cause a copy of every report of the Perbadanan to be laid on the table of the ~~Dewan~~ *each House* ~~Ra'ayat of Parliament~~.

Delegation  
of powers  
of Per-  
badanan.

9. (1) The Perbadanan may, subject to such conditions, limitations or restrictions as it thinks fit, delegate to any committee or sub-committee or to the Chairman, ~~or Deputy~~

PERBADANAN PEMBANGUNAN BANDAR

*Director General or Director*  
~~Chairman~~ the power and authority to carry out on its behalf such powers, duties or functions by this Act vested in the Perbadanan as the Perbadanan may determine, except the power to borrow money, raise loans or make regulations; and any power or function so delegated may be exercised or performed by such committee, or such sub-committee or the Chairman, ~~or Deputy Chairman~~, as the case may be, in the name and on behalf of the Perbadanan.

*A-A 512*

(2) Without prejudice to the generality of subsection (1), the Perbadanan may delegate to the Chairman, Deputy Chairman, any of its other members, committees, sub-committees or any person, whether an officer or servant of the Perbadanan or not, authority to sanction expenditure from the Fund or any other money under the control of the Perbadanan up to such limit as the Perbadanan shall in such case specify.

PART III

DIVISIONS, OFFICERS AND SERVANTS

*9A. ....*  
 10. (1) The Chairman shall be the principal managing officer of the Perbadanan and shall be responsible for the preparation of programmes, schemes or projects for the consideration of the Perbadanan, for the issue of policy guidance or of elucidation of decisions of the Perbadanan to the Deputy Chairman and the Directors and for the supervision and control over the implementation of such decisions by the Deputy Chairman and the Directors.

*A-A 512*  
 Chairman to be the principal managing officer.

(2) All officers and servants of the Perbadanan shall be under the general control of the Chairman.

*Sub-sec*  
*A-4 512*

(3) The Chairman shall perform such other or further duties as the Minister may from time to time determine or prescribe.

(4) If the Chairman is temporarily absent from Malaysia or temporarily incapacitated through illness or for any other sufficient reason from the performance of his duties, the Deputy Chairman shall perform his duties (in addition to the Deputy Chairman's duties) during such temporary absence or other incapacity.

11. (1) The Deputy Chairman shall be the principal executive officer of the Perbadanan and shall be responsible for the execution of all programmes, schemes or projects, for the carrying out of the decisions of the Perbadanan and the directions of the Chairman, and for the supervision and

Deputy Chairman to be principal executive officer.

*CPA A 512*

control of the Directors in the performance of the duties under this Act.

(2) The Deputy Chairman shall be responsible to the Chairman.

(3) Subject to the direction of the Chairman, the Deputy Chairman shall have administrative control of the officers and servants of the Perbadanan.

(4) The Deputy Chairman shall perform such other or further duties as the Perbadanan or the Minister may from time to time determine or prescribe, or as the Chairman may from time to time direct.

(5) If the Deputy Chairman is temporarily absent from Malaysia or temporarily incapacitated through illness or for any other sufficient reason from the performance of his duties, the Chairman shall perform his duties (in addition to the Chairman's duties) during such temporary absence or other incapacity.

12. (1) The Perbadanan may set up such Divisions as it may think desirable, and each Division shall be under the control and charge of an executive officer designated as "the Director".

(2) The Director of each Division shall be appointed by the Chairman with the approval of the Minister.

(3) It shall be the responsibility of the Director of an appropriate Division to implement and execute the decision of the Perbadanan on matters pertaining to his Division, to submit policy recommendations for consideration by the Perbadanan, to participate without the right to vote, in any meeting of the Perbadanan whenever matters pertaining to his Division are being considered in that meeting and also to exercise all the powers that may be delegated to him by the Perbadanan.

13. (1) Subject to any regulations made under section 16, the Perbadanan may appoint on such terms and conditions as the Perbadanan may think desirable such other officers and servants as may be necessary for carrying out the purposes of this Act.

(2) An officer or servant of the Perbadanan appointed under subsection (1) shall subject to the provisions of subsection (3) of section 11, be under the general control of the Director to whose Division such officer or servant is appointed, transferred or assigned.

Organisa-  
tion of Per-  
badanan  
into  
Divisions,  
appoint-  
ment of  
Directors  
and their  
responsi-  
bility.

Sub. by  
A-A 512

Appoint-  
ment of  
other  
officers  
and  
servants.

direction of the  
Director General,  
(A-A 512)

14. (1) No person shall be eligible for employment as an officer or servant of the Perbadanan who has, directly or indirectly, by himself or his partner, any share or interest in any contract or proposed contract with, for or on behalf of the Perbadanan.

Ineligibility for employment as officers or servants of the Perbadanan.

(2) Any officer or servant of the Perbadanan who has or acquires any such share or interest shall be liable in the discretion of the Perbadanan to summary dismissal without notice.

(3) If any officer or servant of the Perbadanan shall at the time of his appointment as such officer or servant already own or control any share or interest in any property which subsequent to his appointment as such officer or servant is included or is intended to be included in any contract or proposed contract with, for or on behalf of the Perbadanan, he shall disclose the same in writing to the Perbadanan.

15. (1) Subject to any regulations made under sections 16 and 40, the ~~Deputy Chairman~~ shall dispose of all questions relating to the service, pay, privileges and allowances of officers and servants of the Perbadanan.

Power to dismiss officers and servants and dispose of questions as to their pay, etc.

(2) Subject to any regulations made under sections 16 and 40, the power of promoting, suspending, dismissing, fining, reducing or granting leave to the officers and servants of the Perbadanan shall be exercised by the ~~Deputy Chairman~~.

A.A 512  
Director General

Provided that in the case of officers and servants whose monthly salary exceeds five hundred dollars, such powers, with the exception of the power of suspension, shall not be exercised without the previous approval of the Perbadanan.

cl/A.A 512

(3) The power of dispensing with the services of any officer or servant of the Perbadanan for any reason other than the misconduct of such officer or servant, or of permitting any such officer or servant to retire on a gratuity or compassionate allowance shall, subject to the aforesaid provisions, be exercised by the Perbadanan alone.

cl/A.A 512

(4) Any officer or servant aggrieved by any decision of the ~~Deputy Chairman~~ in the exercise of his powers under this section may appeal to the Perbadanan.

Director General

Regulations governing conditions of service of officers and servants.

16. (1) The Perbadanan may, from time to time, with the approval of the Minister, make regulations governing the conditions of service of its officers and servants.

(2) Without prejudice to the generality of the foregoing provisions, such regulations may provide for matters specified in the Second Schedule.

#### PART IV

##### URBAN DEVELOPMENT AREA

Declaration of Urban Development Area.

17. (1) The Minister may, after consultation with the State Government and such other public authority which in the opinion of the Minister will be affected by the declaration, from time to time, declare by notification in the *Gazette* any area to be an Urban Development Area.

(2) Subject to subsection (3) of section 1, the provisions of this Act shall have effect in any area declared under subsection (1) of this section as an urban development area.

The Perbadanan to be planning authority and to be consulted in certain matters.

18. (1) Notwithstanding any written law for the time being in force relating to town and country planning, the Perbadanan shall be the planning authority in any urban development area for the purposes of such written law and the provisions of such written law shall have effect accordingly.

(2) Notwithstanding any other written law, no tax, rent, rates, or other charges with respect to any property in any urban development area shall be altered without the Perbadanan having first been consulted; and it shall be lawful for the Perbadanan to submit any recommendation or proposal to the appropriate public authority on any tax, rent, rates or other charges to be imposed or levied with respect to any property in any urban development area.

#### PART V

##### FINANCE

Establishment of the Fund.

19. (1) For the purposes of this Act there is hereby established a fund to be administered and controlled by the Perbadanan.

(2) The Fund shall consist of—

(a) such sums as may be provided from time to time for those purposes by Parliament;

- (b) such sums as may be allocated from time to time to the Perbadanan from loan funds;
- (c) moneys earned by the operation of any project, scheme or enterprise financed from the Fund;
- (d) moneys earned or arising from any property, investments, mortgages, charges or debentures acquired by or vested in the Perbadanan;
- (e) any property, investments, mortgages, charges or debentures acquired by or vested in the Perbadanan;
- (f) sums borrowed by the Perbadanan for the purpose of meeting any of its obligations or discharging any of its duties; and
- (g) all other sums or property which may in any manner become payable to or vested in the Perbadanan in respect of any matter incidental to its powers and duties.

(3) In this section the expression "loan funds" means such sums as may be made available from time to time to the Government by way of loan.

(4) The charges on any amount which may be allocated to the Perbadanan from loan funds shall be met by the Perbadanan:

Provided that all or any part of such charges may be met from the general revenues of the Federation with the approval by resolution of the Dewan Ra'ayat.

20. It shall be the duty of the Perbadanan to conserve the Fund by so exercising and performing its functions and duties under this Act as to secure that the total revenues of the Perbadanan are subject to any directions given by the Minister under section 7, sufficient to meet all sums properly chargeable to its revenue account, including, without prejudice to the generality of that expression, provisions in respect of its obligations under sections 19 and 21 and depreciation and interest on capital, taking one year with another.

Balancing  
of revenue  
account.

21. (1) The Perbadanan shall establish and manage a reserve fund.

Reserve  
fund.

(2) The payment into and out of the reserve fund shall be determined by the Perbadanan:

Provided that no part of the reserve fund shall be applied otherwise than for the purposes of the Perbadanan.

Expenses  
to be  
charged  
on the  
Fund.

- 22.** The Fund shall be expended for the purpose of—
- (a) paying all expenses incurred under sections 27 and 28;
  - (b) granting loans under section 30;
  - (c) paying any expenses lawfully incurred by the Perbadanan, including survey, legal and other fees and costs, and the remuneration of officers and servants appointed and employed by the Perbadanan, including superannuation allowances, pensions or gratuities;
  - (d) paying any other expenses, cost or expenditure properly incurred or accepted by the Perbadanan in the execution of its duty or in the discharge of its functions under section 3;
  - (e) purchasing or hiring plant, equipment, machinery, stores and any other materials and acquiring land and erecting buildings and carrying out any other works and undertakings in the execution of its duty or in the discharge of its functions under section 3;
  - (f) repaying any moneys borrowed under this Act and the interest due thereon or set apart any sum required to be transferred to a sinking fund for the purpose of making provision for the repayment of such moneys and the interest thereon; and
  - (g) generally, paying any expenses for carrying into effect the provisions of this Act.

Expen-  
diture  
and pre-  
paration  
of Esti-  
mates.

**23.** (1) The expenses of the Perbadanan up to such amount as may be authorised by the Minister for any one year shall be defrayed out of the Fund.

(2) Before the beginning of September of each year the Perbadanan shall submit to the Minister an estimate of the expenses (including those for development projects) for the following year in such form and containing such particulars as the Minister may require; and the Minister shall before the beginning of that following year notify the Perbadanan of the amount authorised for expenses generally or of the amounts authorised for each description of expenditure.

(3) The Perbadanan may at any time submit to the Minister a supplementary estimate for any one year and the Minister may allow the whole or any part of the additional expenditure included therein.

24. (1) The Perbadanan shall keep proper accounts and other records in respect of its operation and shall prepare statement of accounts in respect of each financial year. Accounts and audit.

(2) The accounts of the Perbadanan shall be audited annually by the Auditor General or other auditor appointed by the Perbadanan with the approval of the Minister.

(3) After the end of each financial year, and as soon as the accounts of the Perbadanan have been audited, the Perbadanan shall cause a copy of the statement of accounts to be transmitted to the Minister, together with a copy of any observations made by the Auditor General or other auditor appointed under subsection (2) on any statement or on the accounts of the Perbadanan.

(4) The Minister shall cause a copy of every such statement and observations to be laid on the table of the ~~Dewan~~ *each Ra'ayat. House of Parliament* Act A348

#### PART VI

#### OTHER POWERS OF THE PERBADANAN

25. The Perbadanan may accept any gift made to the Perbadanan for all or any of the purposes specified in section 3 and, subject to the terms of any gift, apply them for those purposes in accordance with the provisions of this Act. Gifts.

26. (1) The Perbadanan may from time to time borrow, at such rate of interest and for such period and upon such terms as to the time and method of repayment and otherwise as the Minister of Finance may approve, any sums required by the Perbadanan for meeting any of its obligations or discharging any of its duties. Power to borrow.

(2) The Perbadanan may, from time to time, with the approval of the Minister of Finance, borrow money by the issue of bonds, debentures or debenture stock, or raise capital by the issue of shares or stock of such class and value and upon such terms as it may deem expedient, for all or any of the following purposes:

- (a) the provision of working capital;
- (b) the fulfilling of the duties of the Perbadanan under this Act;
- (c) the fulfilling of such additional functions as may be undertaken by the Perbadanan under this Act;

(d) the redemption of any shares or stock which it is required or entitled to redeem; and

(e) any other expenditure properly chargeable to capital account.

(3) The Perbadanan may make regulations not inconsistent with the provisions of this Act to provide for such matters in connection with shares, stock, bonds, debentures or debenture stock issued under this Act as may appear necessary or expedient to the Perbadanan, and, in particular, for regulating the method of issue, transfer, redemption, or other dealing with such shares, stock, bonds, debentures or debenture stock.

Power to invest funds.  
*F.M. 6 of 1949.*

27. The Perbadanan may invest its assets, in so far as they are not required to be expended by the Perbadanan, in any of the investments authorised by the Trustee Ordinance, 1949, or in such manner as the Minister of Finance may approve.

General power to transact business.

28. The Perbadanan shall, subject to the provisions of this Act, have power to do anything and to enter into any transaction (whether or not involving expenditure, borrowing or investment of money in accordance with the provisions of this Act in that behalf, the acquisition, use and disposal of any movable or immovable property, including vehicles and vessels or rights) which in its opinion is calculated to facilitate the proper discharge of its duty or is incidental or conducive thereto.

Power to employ agents.

29. The Perbadanan may employ and pay agents and technical advisers including advocates and solicitors, bankers, stock-brokers, surveyors or valuers or other persons, to transact any business or to do any act required to be transacted or done in the execution of its duties or for the better carrying into effect the purposes of this Act.

Power to make loans.

30. (1) In the execution of its duty or in the discharge of its functions under section 3, the Perbadanan may make loans, and such loans may be granted subject to such terms and conditions as the Perbadanan may deem fit to impose in particular cases.

(2) The provisions of the Third Schedule shall apply to the loans granted by the Perbadanan under this section.

31. In addition to the duties imposed upon and powers vested in the Perbadanan by this Act, the Perbadanan may undertake such other functions, exercise such other powers and administer and expend such other moneys for such purposes as the Government of the Federation or of any State may assign or give to it and in so doing the Perbadanan shall be deemed to be fulfilling the purposes of this Act and the provisions of this Act shall apply to the Perbadanan in respect of such functions and the administration and expending of such moneys:

Additional functions of the Perbadanan.

Provided always that the accounts of such moneys shall be kept separate and apart from those of the Fund.

32. (1) When any immovable property, not being State land, is needed to be acquired by the Perbadanan for the purposes of this Act, such property may be acquired in accordance with the provisions of any written law relating to the acquisition of land for a public purpose for the time being in force in the State in which such property is situate, and any declaration required by any such written law that such land is so needed may be made notwithstanding that compensation is to be paid by the Perbadanan; and such declaration shall have effect as if it were a declaration that such land is needed for a public purpose in accordance with such written law.

Compulsory acquisition of land.

(2) The expenses and compensation in respect of any immovable property acquired under this section shall be paid by the Perbadanan.

(3) When any immovable property has been acquired under this section, the Perbadanan shall extract the necessary documents of title in respect of such property and shall pay any rent to which such property may be subject.

33. (1) The Perbadanan may from time to time by Order published in the *Gazette* establish a corporation by such name as the Perbadanan may think fit to carry out and have the charge, conduct and management of any project, scheme or enterprise which has been planned or undertaken by the Perbadanan in execution of its duties or discharge of its functions under section 3.

Powers to establish corporations.

(2) The provisions of the Fourth Schedule shall apply to the corporation established by the Perbadanan under subsection (1).

PART VII

MISCELLANEOUS PROVISIONS

(R) Act 478

Exemption granted to the Perbadanan. F.M. 59 of 1949.

34. The Perbadanan shall be exempt from the payment of stamp duty under the Stamp Ordinance, 1949.

Obligation of secrecy.

35. (1) Except for the purpose of this Act or of any criminal proceedings under this Act, no member, officer or servant of the Perbadanan shall disclose any information which has been obtained by him in the course of his duties and which is not published in pursuance of this Act.

L. Muggif Act 160

(2) Any person contravening the provisions of subsection (1) shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one thousand dollars or to both.

Civil Proceedings.

36. Notwithstanding the provisions of any written law, in any civil proceeding by or against the Perbadanan—

(a) any person holding the appointment of a Federal Counsel and authorised by the Attorney-General for the purpose; or

(b) any officer of the Perbadanan authorised in that behalf by special or general directions of the Chairman or Deputy Chairman

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may, on behalf of the Perbadanan, as the case may be, institute, appear in and conduct such proceedings and may make and do all appearances, acts, and applications in respect of such proceedings.

The Perbadanan deemed to be a Malay or a native.

37. For the purposes of any written law relating to land reserved for alienation to Malays or to natives of the State in which it lies, the Perbadanan shall be deemed to be a Malay or a native, as the case may be.

Offences in respect of loans and burden of proof.

38. (1) Any person who—

(a) obtains a loan from the Perbadanan under the provisions of this Act by means of any false representation;

(b) wilfully applies any loan made to him by the Perbadanan under the provisions of this Act to any purpose other than the purpose for which the loan was made;

(c) having obtained a loan from the Perbadanan under the provisions of this Act, wilfully destroys any security given in relation to any such loan,

shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding two years or to a fine of five thousand ~~dollars~~ or to both.

*Amended  
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(2) Any person who contravenes the provisions of paragraph 6 (1) (b) or paragraph 6 (2) of the Third Schedule to this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand dollars.

(3) In any criminal proceeding in respect of an offence under paragraph (b) of subsection (1), the onus of proving that he acted in good faith and without knowledge that he was not entitled so to apply the loan or any part thereof shall be upon the person charged.

39. No prosecution for offences arising out of the provisions of this Act or in connection with any loan made hereunder shall be instituted except with the consent in writing of the Public Prosecutor.

Public Prosecutor's consent.

40. The Perbadanan may, with the approval of the Minister, make regulations not inconsistent with the provisions of this Act—

Power to make regulations.

- (a) prescribing the manner in which documents, cheques and instruments of any description shall be signed or executed on behalf of the Perbadanan;
- (b) prescribing for the responsibilities and control of officers and servants of the Perbadanan;
- (c) imposing fees in such cases as may be determined by the Perbadanan; and
- (d) generally for the exercise of its powers and duties under the provisions of this Act.

FIRST SCHEDULE  
(Section 3 (3))

PART I

DISQUALIFICATION OF MEMBERS, MEETINGS  
AND DISCLOSURE OF INTEREST

1. (1) A person shall be disqualified from being appointed or being a member—

Disqualification.

(a) if there has been proved against him, or he has been convicted on, a charge in respect of—

(i) an offence involving fraud, dishonesty or moral turpitude;  
or

[1st Schedule]

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- (ii) an offence under any law relating to corruption; or
- (iii) any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years; or

(b) if he is a bankrupt; or

(c) if he is of unsound mind or is otherwise incapable of performing his duties.

(2) A member shall vacate his office if he fails to attend three consecutive meetings of the Perbadanan without the permission in writing of the Minister or if he becomes disqualified under sub-paragraph (1).

(3) Where any member ceases to be a member by reason of any of the provisions of this Act, a person shall be appointed in his place in accordance with the provisions applying in the case of the person who ceases to be a member for the residue of the term for which such person might have held office if he had not ceased to be a member.

Meetings.

2. (1) The Perbadanan shall meet at least once in <sup>two</sup> every months

(2) The quorum at all meetings of the Perbadanan shall be a majority of the members amongst whom there shall be either the Chairman or the Deputy Chairman, and in the absence of the Chairman, the Deputy Chairman shall preside at such meetings.

(3) If on any question to be determined, there is an equality of votes, the Chairman or Deputy Chairman, as may be presiding at such meeting, shall have a casting vote in addition to his deliberative vote.

(4) Subject to sub-paragraphs (1), (2) and (3) the Perbadanan shall determine its own procedure.

Common Seal.

3. (1) The Perbadanan shall have a common seal, which shall bear such device as the Perbadanan shall approve and such seal may from time to time be broken, changed, altered or made anew, as the Perbadanan may think fit.

(2) Until a seal is provided by the Perbadanan a stamp bearing the description "Perbadanan Pembangunan Bandar" may be used and shall be deemed to be the common seal.

(3) The common seal or the stamp referred to in sub-paragraph (2) shall be kept in the custody of the Chairman ~~or the Deputy Chairman~~, and shall be authenticated by ~~either of them~~ or by any officer authorised by ~~either of them~~ in writing; and all deeds, documents and other instruments purporting to be sealed with the said seal, authenticated as aforesaid, shall until the contrary is proved be deemed to have been validly executed:

Provided that any document or instrument which if executed by a person not being a body corporate would not be required under seal may in like manner be executed by the Perbadanan and any such document may be executed on behalf of the Perbadanan by any officer or servant of the Perbadanan generally or specially authorised by the Perbadanan in that behalf.

(4) The seal of the Perbadanan shall be officially and judicially noticed.

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4. A member having, directly or indirectly, by himself or his partner, any interest in any company or undertaking with which the Perbadanan proposes to make any contract or having any interest in any such contract or in any matter under discussion by the Perbadanan shall disclose to the Perbadanan the fact of his interest and the nature thereof, and such disclosure shall be recorded in the minutes of the Perbadanan, and unless specifically authorised thereto by the Chairman, such member shall take no part in any deliberation or decision of the Perbadanan relating to the contract.

Disclosure of interest.

5. Any minutes made of meetings of the Perbadanan shall, if duly signed, be receivable in evidence in all legal proceedings without further proof and every meeting of the Perbadanan in respect of the proceedings of which minutes have been so made shall be deemed to have been duly convened and held and all members thereat to have been duly qualified to act.

Minutes receivable in evidence.

PART II

SECRETARY, COMMITTEES AND SUB-COMMITTEES

1. (1) The Perbadanan shall appoint a Secretary of the Perbadanan on such terms and conditions as the Perbadanan may determine.

Secretary.

(2) The Secretary shall perform such duties and shall be paid such remuneration as the Perbadanan may determine.

2. (1) The office of the Perbadanan shall be in the Federal Capital of Kuala Lumpur at such place as the Perbadanan may determine.

Office and sub-office.

(2) The Perbadanan may maintain sub-offices in such places in Malaysia as it may deem necessary or expedient for the carrying out of its functions.

3. There shall be paid to such members or members of any committee or sub-committee or to any person such remuneration or allowance for the performance of their duties under this Act and such allowances or expenses incurred in the performance of such duties, as the Minister may from time to time determine. *Perbadanan may from time to time determine with the approval of the Minister.*

Remuneration and allowances.

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4. (1) The Perbadanan may appoint committees for any purpose arising out of or connected with any of its powers, duties and functions under this Act; any committee so appointed shall include not less than one member of the Perbadanan, and there may be appointed to such committee such other persons as the Perbadanan may think fit.

Committees and sub-committees

(2) Any committee appointed under sub-paragraph (1) may appoint one or more sub-committees; any sub-committee so appointed shall include not less than one member of such committee, and there may be appointed to such sub-committee such other persons as the committee may think fit.

(3) Any committee or sub-committee so appointed shall conform to any instructions from time to time given to it by the Perbadanan, and the Perbadanan may at any time discontinue or alter the constitution of any committee or sub-committee so appointed.

[1st-2nd Schedule]

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(4) Subject to sub-paragraph (3), any sub-committee shall conform to any instructions from time to time given to it by the committee appointing it, and such committee may at any time discontinue or alter the constitution of any sub-committee so appointed.

Perbadanan, committee or sub-committee may invite other persons to meetings.

5. (1) The Perbadanan, a committee or a sub-committee may, respectively, invite any person who, in its opinion, is possessed of special knowledge of advantage to it, to attend any meeting of the Perbadanan, such committee or sub-committee.

(2) No person so invited shall be entitled to vote at any such meeting.

Disclosure of interest.

6. A member of any committee or sub-committee, having, directly or indirectly, by himself or his partner, any interest in any matter under discussion by the committee or sub-committee of which he is a member shall disclose to the committee or sub-committee of which he is a member the fact of his interest and the nature thereof, and such disclosure shall be recorded in the minutes of the committee or sub-committee and unless specifically authorised by the Chairman of the committee or sub-committee, such member shall take no part in any deliberation or discussion of the committee or sub-committee relating to the matter.

Minutes receivable in evidence.

7. Any minutes made of meetings of any committee or sub-committee shall, if duly signed, be receivable in evidence in all legal proceedings without further proof and every such meeting shall be deemed to have been duly convened and held and all members of the committee or sub-committee present at such meeting shall be deemed to have been duly qualified to act.

Validity of act and proceedings.

8. No act done or proceeding taken under this Act shall be questioned on the ground—

- (a) of any vacancy in the membership of, or any defect in the constitution of, the Perbadanan or any committee or sub-committee; or
- (b) of the contravention by any member or member of any committee or sub-committee, relating to the disclosure of interest by such member; or
- (c) of any omission, defect or irregularity not affecting the merits of the case.

SECOND SCHEDULE

(Section 16)

1. The regulations made under section 16 may provide for any or all of the following—

- (a) regulating the amount of salaries, fees and allowance payable to the officers and servants of the Perbadanan;
- (b) regulating the grant of leave to such officers and servants;
- (c) authorising the payment of all allowances to such officers and servants while absent on leave;

- (d) determining the remuneration to be paid to the persons appointed to act for any such officers or servants during their absence on leave;
- (e) regulating the period of service of all such officers and servants;
- (f) for the making of loans to officers and servants for the purchase of bicycles, motor-cycles, motor cars, houses or for any other purpose approved by the Minister;
- (g) determining the conditions under which gratuities or compassionate allowances may be paid to such officers and servants injured or to the surviving relatives of any of such officers and servants, killed in the execution of their duty;
- (h) the establishment, maintenance and administration of a pension scheme for the provision of payments of pensions, gratuities or other allowances on superannuation, resignation, retirement or discharge of officers and servants of the Perbadanan and for the establishment and maintenance of a pension fund; and
- (i) the establishment and administration of a superannuation scheme for the granting of such gratuities and allowances on death, superannuation, resignation, retirement or discharge of subordinate officers and servants of the Perbadanan as may be deemed expedient and for the granting of such gratuities and allowances as may be deemed expedient to any one or more of the surviving dependants of any person who having been employed as a subordinate officer or servant of the Perbadanan dies after having been superannuated or discharged or after having resigned or retired.

2. The following provisions shall apply to any regulations made by virtue of paragraphs (g), (h) and (i) of paragraph 1—

- (a) no gratuity, allowance or other payment payable under any such regulations nor any right or interest acquired by any person to any gratuity, allowance or other payment thereunder shall be assignable or transferable or liable to be attached, sequestered levied upon for or in respect of any debt or claim whatsoever other than a debt due to the Perbadanan;
- (b) any moneys paid under any such regulations on the death of any person shall be deemed to be impressed with a trust in favour of the persons entitled thereto under the will or intestacy of such deceased person, but shall not be deemed to form part of his estate or be subject to his debts;
- (c) any person may by his will or by a memorandum under his hand appoint a trustee of the moneys payable on his death under any such regulations, and may provide for the appointment of a new trustee or trustees of such moneys and for the investment thereof;
- (d) if at the time of the death of any person or at any time afterwards there is no trustee of such moneys or it is expedient to appoint a new trustee or trustees, then in any such case a trustee or trustees or a new trustee or trustees may be appointed by the High Court or a Judge thereof;

- (e) the receipt of a trustee or trustees duly appointed or in default of any such appointment the receipt of the legal personal representative of a deceased person, shall be a discharge for any moneys payable on his death under any such regulations;
- (f) any employee of the Perbadanan who could otherwise be entitled to any benefit under any such regulations shall, if he is dismissed from the service of the Perbadanan for fraud or dishonesty or misconduct, which involves pecuniary loss to the Perbadanan, or retires from or resigns his office with intent to escape discharge or dismissal in consequence of such fraud, dishonesty or misconduct, forfeit and lose the whole or such part of such benefit as the Perbadanan may in its absolute discretion direct; and
- (g) with the approval of the Minister the Perbadanan may, in its discretion, in consideration of long or special services of any officer or servant of the Perbadanan whose case does not come within the scope and effect of the Perbadanan pension scheme or superannuation scheme regulations, pay to such officer or servant, upon his death, a gratuity or compassionate allowance on such terms and conditions as the Perbadanan may determine.

THIRD SCHEDULE  
(Section 30 (2))

Charge on property and priority of loan.

1. Where a loan is made by the Perbadanan on the security of a charge or mortgage of any property, whether with or without any other security, the property, from and after the date of the charge or mortgage, shall be charged with the payment of such loan and interest as in the charge or mortgage mentioned, in priority save so far as otherwise specified in the charge or mortgage, to every other debt, charge or mortgage whatsoever affecting the property except any loan due to any creditor not assenting to such priority which has been made in good faith before the loan made by the Perbadanan and which has been secured by a duly registered charge or mortgage of the property executed to a person who is entitled as a bona fide creditor to the repayment thereof with interest.

Interest on loans made by the Perbadanan.

2. In making any loan under the provisions of this Act the Perbadanan may charge such rate of interest as it may deem fit in any particular case.

Repayment of loans made by the Perbadanan.

3. Subject to the provisions of paragraphs 4 and 5, every loan shall be repaid to the Perbadanan in accordance with the terms and conditions under which such loan was made and the moneys so paid shall thereupon be taken into the accounts of the Perbadanan.

Suspension of payment of principal and interest and power to extend time compound or release.

4. The Perbadanan may—

- (a) postpone, for any time not exceeding five years, the payment of any sum due for principal and interest or for either principal or interest in respect of a loan made by it upon such terms and conditions for the carrying out of the purposes for which such loan was made and for the ultimate repayment of such principal or payment of such interest as it may deem necessary;

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(b) from time to time extend the period for the repayment of any loan, or compound or release any loan or any part thereof subject to such terms and conditions as it may deem fit.

5. The Perbadanan may at any time accept payment of the whole or any part of the amount representing the principal of a loan and interest thereon, before the time when such payment is due, upon such terms and conditions as it may think fit.

Payment of loan before due date.

6. (1) Where the Perbadanan has made a loan of money under the provisions of this Act it may—

Enquiry as to application of moneys lent.

(a) from time to time, make or cause to be made such enquiry as may be necessary to ensure that the loan is being applied to the purpose for which it was made;

(b) require reports including financial statements in such details as it may determine to be submitted by the person, body or authority in receipt of the loan and such person, body or authority shall comply with such request.

(2) The Perbadanan may authorise in writing any of its officers or any other person to make such enquiry, and the person, body or authority in receipt of the loan shall produce to such officer or person all the relevant books, documents and other matters and things necessary for the purposes of the enquiry.

7. Where upon an enquiry made under the provisions of paragraph 6 it appears to the Perbadanan that any sum being the whole or any part of the loan has not been applied for the purposes for which the loan was made it may order that such sum be, within the time mentioned in the order, applied to such purposes or that such sum together with any interest due thereon on the date of the order be repaid to the Perbadanan within the time mentioned in the order, and any sum with the interest thereon so ordered to be repaid to the Perbadanan shall thereupon become a debt due to the Perbadanan.

Order of Perbadanan upon such enquiry.

8. (1) If any loan made under the provisions of this Act or any part of such loan has been misapplied, the Perbadanan may—

Misapplication of loan secured by mortgage or otherwise.

(a) where such loan has been secured by charge or mortgage, by notice in writing addressed to the chargor or mortgagor, recall the said loan or any part thereof and may require the loan or that part together with any interest due on such loan or part thereof on the date of the notice to be repaid on such date to be specified in the notice and in default of payment on such specified date any security given for the purpose of the loan may thereupon be realised;

(b) where such loan has been secured otherwise than by way of charge or mortgage, by notice addressed to the borrower, request the loan or any part thereof together with any interest due on such loan or part thereof on the date of the notice to be repaid on a date to be specified in the notice and in default of payment on such specified date any security given for the purpose of the loan may thereupon be realised.

(2) The provisions of sub-paragraph (1) shall be in addition to any other proceedings under any other written law.

Enforcement of securities.

9. Where any property charged or mortgaged as security for a loan under the provisions of this Act is sold for the purpose of the enforcement of the security the Perbadanan may buy such property and may either manage and hold such property or sell or otherwise dispose of it as it may deem fit.

FOURTH SCHEDULE

(Section 33 (2))

Power of Perbadanan to make regulations in respect of a corporation.

1. The Perbadanan shall, on or before the date on which any corporation is established under section 33, make regulations in respect of such corporation defining—

- (a) the purposes and objects for which such corporation is established;
- (b) the rights, powers, duties and functions of such corporation;
- (c) the system of management thereof; and
- (d) the relations between such corporation and the Perbadanan and its rights of control over such corporation.

Saving.

2. Nothing in paragraph 1 shall be deemed to authorise the Perbadanan to make regulations to establish any corporation for any purpose or object more extensive in scope than the purposes or objects for which the Perbadanan was constituted or to confer on any corporation any right, duty, power or function which is not within the rights, duties, powers or functions of the Perbadanan under this Act.

Regulations subject to the Act.

3. Subject to the provisions of this Act and of any regulations made under section 40, any regulations made under paragraph 1 shall be binding on the corporation in respect of which they were made and shall have effect for all purposes as if they had been enacted in this Act.

Amendment of the regulations. 23/67.

4. The Perbadanan may at any time amend, revoke, or add to, any regulations made in respect of any corporation under paragraph 1 and section 34 of the Interpretation Act, 1967, shall apply to any such amended or revoked regulations as if such regulations had been written law.

Register of corporation.

5. The Perbadanan shall keep a register in the prescribed form of all corporations established by it under section 33 and such register together with copies of all regulations made under paragraph 1 shall be open to public inspection at such place or places and at such times as it may prescribe.

Winding up.

6. (1) The Perbadanan may by order published in the *Gazette* direct that any corporation established by it shall be wound up and dissolved.

(2) Upon the dissolution of any corporation under this paragraph the assets of the corporation after payment of all liabilities shall be transferred to and vested in the Perbadanan.

(3) The winding up of a corporation under this paragraph shall be conducted in such manner as the Perbadanan may prescribe.

7. Every corporation established under section 33 shall be a body corporate by such name as the Perbadanan shall give to such corporation and shall have perpetual succession and a common seal and may sue and be sued in such name, and for the purpose of carrying into effect the registered development project for which it has been established may enter into contracts and may hold and deal in or with any immovable or movable property and may do all other matters and things incidental or appertaining to a body corporate not inconsistent with the provisions of this Act and subject to such restrictions or limitations as may be prescribed by the Perbadanan in each case.

Corporations to be bodies corporate.

8. (1) Every corporation shall have a common seal, which shall bear such device as the corporation, with the approval of the Perbadanan may approve, and such seal may from time to time be broken, changed, altered and made anew by the corporation, with the approval of the Perbadanan, as the corporation shall think fit.

Common seal of the corporation.

(2) Until a seal is provided by the corporation under this paragraph a stamp bearing the name of the corporation encircling the letters "PPB" may be used as a common seal.

(3) The common seal, or the stamp referred to in sub-paragraph (2), shall be in the custody of such person as the corporation shall direct and shall be authenticated by such person; and all deeds, documents and other instruments purporting to be sealed with the said seal, authenticated as aforesaid, shall until the contrary is proved, be deemed to have been validly executed:

Provided that any document or instrument which if executed by a person not being a body corporate would not be required to be under seal may in like manner be executed by the corporation; and any such document or instrument may be executed on behalf of the corporation by any officer or servant of the corporation generally or specially authorised by the corporation in that behalf.

(4) The seal of every corporation shall be officially and judicially noticed.