



LAWS OF MALAYSIA

REPRINT

Act 110

FARMERS' ORGANIZATION AUTHORITY ACT 1973

Incorporating all amendments up to 1 January 2006

PUBLISHED BY
THE COMMISSIONER OF LAW REVISION, MALAYSIA
UNDER THE AUTHORITY OF THE REVISION OF LAWS ACT 1968
IN COLLABORATION WITH
PERCETAKAN NASIONAL MALAYSIA BHD
2006

**FARMERS' ORGANIZATION AUTHORITY
ACT 1973**

Date of Royal Assent 15 June 1973

Date of publication in the *Gazette* 21 June 1973

PREVIOUS REPRINTS

<i>First Reprint</i>	...	...	...	...	...	1994
<i>Second Reprint</i>	...	...	...	...	...	2000

LAWS OF MALAYSIA

Act 110

FARMERS' ORGANIZATION AUTHORITY ACT 1973

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title and commencement
2. Interpretation

PART II

THE AUTHORITY

3. The Authority
4. Functions of the Authority
5. Membership of the Authority
6. Establishment of the Council
7. Public Authorities Protection
8. Public servants
9. Power of Minister to give directions
10. Farmers' Development Area
11. Additional functions of the Authority
12. Returns, reports, accounts and information

PART III**DIVISIONS, OFFICERS AND SERVANTS**

Section

13. Chairman to be principal managing officer
14. Director General to be the Chief Executive Officer
15. Appointment of other officers and servants
16. Divisions may be set up
17. Discipline of officers and servants
- 17A. Establishment of Disciplinary Appeal Board
- 17B. Termination in the public interest
18. Regulations governing conditions of service of officers and servants

PART IV**FINANCE**

19. Establishment of the Fund
20. Balancing of revenue account
21. Reserve fund
22. Expenses to be charged on the Fund
23. Expenditure and preparation of Estimates
24. Accounts and audit
- 24A. Surcharge

PART V**OTHER POWERS OF THE AUTHORITY**

25. Delegation of powers of Authority
26. Power to borrow
27. Investment
28. Power to employ agents
29. Power to make loans
30. Power to establish corporations
31. Compulsory acquisition of land

PART VI

GENERAL

Section

- 32. *(Deleted)*
- 33. Obligation of secrecy
- 34. Civil proceedings
- 35. Offences in respect of loans and burden of proof
- 36. Public Prosecutor's consent
- 37. Power to make regulations
- 38. Things done in anticipation of this Act

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

FOURTH SCHEDULE

LAWS OF MALAYSIA

Act 110

FARMERS' ORGANIZATION AUTHORITY ACT 1973

An Act to incorporate the Farmers' Organization Authority and to provide for matters connected therewith.

[14 February 1973]

BE IT ENACTED by the 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

Short title and commencement

1. This Act may be cited as the Farmers' Organization Authority Act 1973, and shall be deemed to have come into force on the 14 February 1973.

Interpretation

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

“Authority” means the Farmers' Organization Authority established under section 3;

“Chairman” means the Chairman of the Authority appointed under section 5;

“company” has the same meaning as that assigned to “corporation” under subsection 4(1) of the Companies Act 1965 [Act 125];

“corporation” means a corporation established under section 30;

“Council” means the Farmers' Advisory Council established under section 6;

“Deputy Chairman” means the Deputy Chairman of the Authority appointed under section 5;

“Farmers’ Development Area” means any area where concentrated agricultural and economic development shall be promoted and which shall be determined by the Minister in accordance with section 10;

“Farmers’ Organization” means any Farmers’ Organization established under the Farmers’ Organization Act 1973 [Act 109];

“Fund” means the fund established under section 19.

PART II

THE AUTHORITY

The Authority

3. There is hereby established a body corporate by the name Farmers’ Organization Authority 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 Authority upon such terms as it deems fit.

Functions of the Authority

4. (1) The functions of the Authority shall be—

- (a) to promote, stimulate, facilitate and undertake economic and social development of Farmers’ Organizations;
- (b) to register, control and supervise Farmers’ Organizations and to provide for matters related thereto;
- (c) where a declaration by notification has been made under section 10, to plan and undertake such agricultural development within such Farmers’ Development Area; and
- (d) to control and co-ordinate the performance of the aforesaid activities.

(2) The Authority 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 carry on all activities particularly of commercial and industrial enterprises, the carrying on whereof appears to it to be requisite, advantageous or convenient for or in connection with the discharge of its said function, including the primary production, manufacturing, assembling, processing, packing, grading and marketing of agricultural products, research and training;
- (b) to initiate preliminary studies of possible agricultural development and redevelopment and make preliminary plans outlining agricultural development or redevelopment activities and preliminary surveys to determine if the undertaking and carrying out of such agricultural development or redevelopment projects are as a Farmers' Organization enterprise feasible;
- (c) to co-operate with or act as agent or managing agent of or otherwise act in association with or on behalf of the Government of the Federation or of any State, any public authority, any company, any corporation, any body or any person;
- (d) to promote and co-ordinate the carrying on of such activities by Governments, public authorities, any company, corporation, or other body or person;
- (e) to establish or expand, or promote the establishment or expansion of companies, corporation or other bodies to carry on any such activities either under the control or partial control of the Authority or independently;
- (f) to give assistance to any Farmers' Organization, public authority, company, corporation or other body or person appearing to the Authority 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;
- (g) to purchase, underwrite or otherwise acquire any stock and shares in any public or private company, and to dispose of the same whether to Farmers' Organizations or other persons on such terms and conditions as the Authority may determine;

- (h) to request departments, governmental and non-governmental agencies engaged in carrying out or intending to carry out agro-based development for the benefit of farmers to submit report regarding their activities or proposed activities containing such particulars and information as may be specified by the Authority and to co-operate with the Authority in its efforts to develop Farmers' Organizations;
- (i) to appoint agents or establish such other bodies as it may deem fit for the purpose of carrying out its functions;
- (j) to impose fees or any other charges it deems fit for giving effect to any of its powers or functions;
- (k) to receive, in consideration of the services rendered by it, such commission or payments as may be agreed upon;
- (l) to regulate development in the Farmers' Development Area; and
- (m) to do such other things as it deems fit for the effective carrying out of its functions and powers.

(3) Subject to section 8, it shall be the responsibility of the Authority in discharging its functions under this Act to ensure that the functions shall be performed in such manner as shall be in furtherance of the policy of the Government for the time being in force and in particular the policy relating to the restructuring of society.

Membership of the Authority

5. (1) The Authority shall consist of the following members who shall be appointed by the Minister:

- (a) a Chairman;
- (b) a Deputy Chairman;
- (c) the Director General; and
- (d) six other members, not more than four of whom shall be from the public service.

(2) The First Schedule to this Act shall apply to the members of the Authority.

Establishment of the Council

6. (1) There is hereby established a body by the name “Farmers’ Advisory Council” whose function shall be—

- (a) generally to advise the Minister on matters pertaining to the development of Farmers’ Organizations; and
- (b) to advise the Minister on any matter referred to it by the Minister.

(2) The Council shall consist of the following members:

- (a) the Chairman of the Authority who shall be the Chairman of the Council;
- (b) the Deputy Chairman of the Authority who shall be the Deputy Chairman of the Council;
- (c) the Director General of the Authority who shall be the Secretary to the Council;
- (d) the Director General of Agriculture;
- (e) the Director General of Co-operative Development Department;
- (f) a representative of the Ministry of Agriculture and Agro-Based Industries;
- (g) a representative of the Ministry of Rural and Regional Development;
- (h) a representative of the Ministry of Plantation Industry and Commodities;
- (i) a representative of the Treasury;
- (j) a representative of the Ministry of Domestic Trade and Consumer Affairs;
- (k) a representative of the Prime Minister’s Department;
- (l) a representative from each of the States in Malaysia; and
- (m) not more than six other members appointed by the Minister.

(3) Paragraphs 1, 2, 3, 7, 8 and 9 and subparagraphs 4(3), 4(4) and 4(5) of the First Schedule shall with such modifications as are necessary apply to the Council.

(4) The Council shall meet at least twice during every calendar year.

(5) The Chairman, Deputy Chairman or member presiding at such meeting and ten other members shall form a quorum at any meeting of the Council.

Public Authorities Protection

7. The Public Authorities Protection Act 1948 [Act 198] shall apply to any action, suit, prosecution or proceedings against the Authority or against any member, officer, servant or agent of the Authority in respect of any act, neglect or default done or committed by him in such capacity.

Public servants

8. All members, officers and servants of the Authority, while discharging their duties as such members, officers or servants shall be deemed to be public servants within the meaning of the Penal Code [Act 574].

Power of Minister to give directions

9. (1) The Authority 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 Authority 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 Authority, 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 directions shall, so long as any sum borrowed by the Authority in accordance with the provisions of this Act remains outstanding, be given except with the concurrence of the Minister of Finance.

Farmers' Development Area

10. (1) For the purposes of this Act, 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, declare by notification in the *Gazette* the area or areas within which the Authority may perform its functions under this Act and such area shall be known as the Farmers' Development Area.

(2) Notwithstanding any other written law, it shall be the responsibility of the Authority to exercise the functions provided by this Act in the Farmers' Development Area.

Additional functions of the Authority

11. In addition to the duties imposed upon and powers vested in the Authority by this Act, the Authority 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 Authority shall be deemed to be fulfilling the purposes of this Act and the provisions of this Act shall apply to the Authority in respect of such functions and the administration and expending of such moneys:

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

Returns, reports, accounts and information

12. (1) The Authority shall furnish the Minister and such other person, body of persons or public authority as may be directed by the Minister, such returns, reports, accounts and information with respect to its property and activities as the Minister may from time to time require or direct.

(2) Without prejudice to the generality of subsection (1), the Authority shall, as soon as practicable, after the end of each financial year, cause to be made and transmitted to the Minister and, if so directed by the Minister, to the Government of any State or any

other public authority, a report dealing with the activities of the Authority during the preceding financial year and in such form and containing such information relating to the proceedings and policy of the Authority as the Minister may from time to time specify.

(3) The Minister shall cause a copy of every such report to be laid on the table of the Dewan Rakyat.

PART III

DIVISIONS, OFFICERS AND SERVANTS

Chairman to be principal managing officer

13. (1) The Chairman shall be responsible for the issue of policy guidance or of elucidation of decisions of the Authority.

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

(3) 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 during such temporary absence or incapacity.

Director General to be the Chief Executive Officer

14. (1) The Authority may, with the approval of the Minister, employ and appoint a Director General to be the Chief Executive Officer on such terms and conditions and for such period as the Authority may determine.

(2) The Director General shall be responsible for the preparation of programmes, schemes or projects for the consideration of the Authority and for the execution of such programmes, schemes or projects and the directions of the Chairman.

(3) Subject to the directions of the Chairman, the Director General shall have administrative control of the officers and servants of the Authority.

(4) The Director General shall perform such other or further duties as the Authority or the Minister may from time to time determine or as the Chairman may from time to time direct.

Appointment of other officers and servants

15. (1) Subject to any regulations made under section 18, the Authority may appoint on such terms and conditions as the Authority may think desirable any person as Executive Officer and other officers and servants as may be necessary for carrying out the purposes of this Act.

(2) No person shall be eligible for employment as an Executive Officer or officer or servant of the Authority 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 Authority.

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

Divisions may be set up

16. (1) The Authority may set up such Divisions as it may think desirable, and each Division shall be under the control and charge of an Executive Officer.

(2) It shall be the responsibility of the Executive Officer of an appropriate Division to implement and execute the decision of the Authority on matters pertaining to his Division, to submit policy recommendations for consideration by the Authority, to participate without the right to vote, in any meeting of the Authority and the Council 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 Authority.

Discipline of officers and servants

17. (1) There shall be a Disciplinary Committee of the Authority which shall consist of two members to be elected by and from the members of the Authority, one of whom shall be elected Chairman, and the Director General appointed under subsection 5(1).

(2) The disciplinary authority in respect of every officer and servant of the Authority other than the Director General shall be the Disciplinary Committee of the Authority established under subsection (1).

(3) The disciplinary authority in respect of the Director General shall be the Disciplinary Committee which shall consist of the Secretary General of the Ministry of Agriculture and Agro-Based Industries as Chairman and two members to be elected by and from the members of the Authority.

(4) The Director General shall not be a member of the Disciplinary Committee in any proceedings before it in which he is the complainant; his place shall be taken by a member to be elected by and from the members of the Authority.

(5) In the exercise of its disciplinary functions, the Disciplinary Committee shall have the power to impose such disciplinary punishment as may be provided for under any regulations that may be made under section 18.

(6) The Disciplinary Committee may, subject to subsection (7), delegate any of its disciplinary functions, powers or duties to any committee of officers or servants of the Authority, in respect of any particular officer or servant of the Authority or in respect of any class or category of officers or servants of the Authority, and the committee delegated with such functions, powers or duties shall carry out, exercise or discharge them under the direction and control of the Disciplinary Committee which shall have the power to review, rescind or vary any decision or finding of such committee.

(7) No delegation shall be made under subsection (6) so as to enable an officer or servant of the Authority to be a member of a committee which may exercise any disciplinary authority over an officer or servant who is superior to him in rank.

(8) A decision of the Disciplinary Committee established under subsection (1) shall be appealable to the Disciplinary Appeal Board established under section 17A.

(9) A decision of the Disciplinary Committee established under subsection (3) shall be appealable to the Minister.

(10) The Disciplinary Appeal Board or the Minister, as the case may be, may confirm, reverse or vary the decision of the Disciplinary Committee.

(11) A decision of the Disciplinary Appeal Board or the Minister under subsection (10) shall be final and conclusive.

Establishment of Disciplinary Appeal Board

17A. (1) There shall be a Disciplinary Appeal Board of the Authority which shall consist of the following members:

- (a) the Chairman, who shall be the chairman of the Disciplinary Appeal Board and shall have a casting vote; and
- (b) three members of the Authority, not being members of the Disciplinary Committee whose decision is the subject matter of the appeal, to be appointed by the chairman of the Disciplinary Appeal Board with the approval of the Authority for the purpose of the appeal.

(2) When the Disciplinary Appeal Board considers an appeal made under section 17, a member of the Disciplinary Committee against whose decision the appeal is made who is also a member of the Authority shall not be present or in any way participate in any proceedings relating to the appeal.

Termination in the public interest

17B. (1) Where the Authority finds or where representations are made to the Authority that it is desirable that the service of an officer or a servant be terminated in the public interest, the Authority may call for a full report from the superior officer of the officer or servant against whom the representations are made which shall contain particulars relating to the work and conduct of the officer or servant.

(2) If, after considering the report received under subsection (1), the Authority is satisfied that having regard to the conditions of service, the usefulness of the officer or servant, the work and conduct of the officer or servant and all the other circumstances of the case, it is desirable in the public interest so to do, the Authority may terminate the service of the officer or servant with effect from such date as the Authority shall specify.

(3) It shall be lawful for the appropriate Disciplinary Committee to recommend to the Authority that the service of an officer or a servant be terminated in the public interest notwithstanding that disciplinary proceedings have not been carried out under this Act and the Authority may so terminate the service of the officer or servant.

(4) Notwithstanding anything in this Act and any other law to the contrary, in terminating the service of an officer or a servant in the public interest under this section, the officer or servant may not be given any opportunity of being heard and an officer or a servant whose service has been terminated in the public interest under this section shall not be regarded as having been dismissed, regardless of whether the termination of service of the officer or servant involved an element of punishment or was connected with conduct in relation to his office which the Authority regards as unsatisfactory or blameworthy.

Regulations governing conditions of service of officers and servants

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

(2) Unless otherwise provided, a reference in this Act to an officer of the Authority shall include reference to the Director General and an Executive Officer.

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

PART IV

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 Authority.

(2) The Fund shall consist of—

- (a) such sums as may be provided from time to time for those purposes by Parliament or the Legislative Assembly of any State;
- (b) such sums as may be allocated from time to time to the Authority 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 Authority;
- (e) any property, investments, mortgages, charges or debentures acquired by or vested in the Authority;
- (f) sums borrowed by the Authority 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 Authority 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 of the Federation or of any State, by way of loan.

Balancing of revenue account

20. It shall be the duty of the Authority to conserve the Fund by so exercising and performing its powers, functions and duties under this Act as to secure that the total revenues of the Authority are, subject to any directions given by the Minister under section 9, 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.

Reserve fund

21. The Authority shall establish and manage a reserve fund within the Fund.

Expenses to be charged on the Fund

22. The Fund shall be expended for the purpose of—

- (a) paying all expenses incurred under section 27;
- (b) granting loans under section 29;
- (c) paying any expenses lawfully incurred by the Authority, including survey, legal and other fees and costs, and the remuneration of officers and servants appointed and employed by the Authority, including superannuation allowances, pensions or gratuities;
- (d) paying any other expenses, cost or expenditure properly incurred or accepted by the Authority in the execution of its duty or in the discharge of its functions under section 4;
- (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 4;
- (f) repaying any moneys borrowed under this Act and the interest due thereon; and
- (g) generally, paying any expenses for carrying into effect the provisions of this Act.

Expenditure and preparation of Estimates

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

(2) Before the beginning of September of each year the Authority 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 direct; and the Minister shall before the beginning of that following year notify the Authority of the amounts authorized for expenses generally or of the amounts authorized for each description of expenditure.

(3) The Authority 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.

(4) The Minister may direct the Authority to submit a copy of the estimate or supplementary estimate, as the case may be, to the Government of any State or to any other person as may be specified in the direction.

Accounts and audit

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

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

(3) After the end of such financial year, and as soon as the accounts of the Authority have been audited, the Authority shall cause a copy of the statement of accounts to be transmitted to the Minister or, on being directed so to do by the Minister, to the Government of any State or any other person, 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 Authority.

(4) The Minister shall cause a copy of every such statement and observations to be laid on the table of the Dewan Rakyat.

Surcharge

24A. (1) If it appears to the Authority that any person who is or was in the employment of the Authority—

- (a) has failed to collect any moneys owing to the Authority for the collection of which he is responsible;
- (b) is or was responsible for any payment from the Fund of moneys which ought not to have been made or for any payment of such moneys which is not duly vouched;
- (c) is or was responsible, directly or indirectly, for any deficiency in, or for the destruction of, any moneys, stamps, securities, stores or other property of the Authority;
- (d) being or having been an accounting officer, fails or has failed to keep proper accounts or records;

- (e) has failed to make any payment, or is or was responsible for any delay in the payment, of moneys from the Fund to any person to whom such payment is due under any contract, agreement or arrangement entered into between that person and the Authority,

the Authority shall serve on him a written notice calling on him to show cause why he should not be surcharged, and if a satisfactory explanation is not, within fourteen days from the date of service of the notice as aforesaid, furnished to the Authority with regard to the failure to collect, payment which ought not to have been made, payment not duly vouched, deficiency or destruction, or failure to keep proper accounts or records, or failure to make payment, or delay in making payment, the Authority may surcharge against the said person a sum not exceeding the amount of any such amount not collected, such payment, deficiency, or loss or the value of the property destroyed, as the case may be; and with regard to the failure to keep proper accounts or records, or the failure to make payment, or the delay in making payment, the Authority may surcharge against the said person such sum as the Authority may think fit.

(2) The Chairman shall cause the Director General to be notified of any surcharge made under subsection (1) and the Director General shall thereupon notify the person surcharged.

(3) The Authority may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and the Chairman shall at once cause the Director General to be notified of such withdrawal.

(4) The amount of any surcharge made under subsection (1) and not withdrawn under subsection (3) shall be a debt due to the Authority from the person against whom the surcharge is made and may be sued for and recovered in any court at the suit of the Authority and may also be recovered by deduction—

- (a) from the salary of the person surcharged if the Authority so directs; or
- (b) from the pension of the person surcharged if the Authority so directs,

by equal monthly instalments not exceeding one-fourth of the total monthly salary or pension, as the case may be, of the person.

PART V

OTHER POWERS OF THE AUTHORITY

Delegation of powers of Authority

25. (1) The Authority may, subject to such conditions, limitations or restrictions as it thinks fit, delegate to the Chairman, Deputy Chairman, Director General or any other person the power and authority to carry out on its behalf such powers, duties or functions by this Act vested in or imposed on the Authority as the Authority may determine, except the power to borrow money, raise loans and make regulations; and any power or functions so delegated may be exercised or performed by the Chairman, Deputy Chairman, Director General or such other person, as the case may be, in the name and on behalf of the Authority.

(2) Without prejudice to the generality of subsection (1), the Authority may delegate to the Chairman, Deputy Chairman, Director General, any of its other members or any person authority to sanction expenditure from the Fund or any other money under the control of the Authority up to such limit as the Authority shall in such case specify.

Power to borrow

26. (1) The Authority 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 with the concurrence of the Minister of Finance may approve, any sums required by the Authority for meeting any of its obligations or discharging any of its duties.

(2) The Authority may, from time to time, with the approval of the Minister and the concurrence 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 provisions of working capital;
- (b) the fulfilling of the duties of the Authority under this Act;

- (c) the fulfilling of such additional functions as may be undertaken by the Authority 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.

Investment

27. The assets of the Authority shall, in so far as they are not required to be expended by the Authority under this Act, be invested in such manner as the Minister with the concurrence of the Minister of Finance may approve.

Power to employ agents

28. The Authority may employ and pay agents and technical advisers including advocates and solicitors, bankers, stockbrokers, 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

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

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

Power to establish corporations

30. (1) The Authority may from time to time by Order published in the *Gazette* establish a corporation by such name as the Authority 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 Authority in execution of its duties or discharge of its function.

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

Compulsory acquisition of land

31. (1) When any immovable property, not being State land, is needed to be acquired by the Authority 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, 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 Authority; 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.

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

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

PART VI

GENERAL

32. (*Deleted by Act 478*).

Obligation of secrecy

33. (1) Except for the purpose of this Act or of any criminal proceedings under this Act, no member, officer or servant of the Authority 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.

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

Civil proceedings

34. Notwithstanding the provisions of any written law, in any civil proceedings by or against the Authority—

- (a) any person holding the appointment of a Federal Counsel and authorized by the Attorney General for the purpose; or
- (b) any officer of the Authority authorized in that behalf by special or general directions of the Authority,

may, on behalf of the Authority, 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.

Offences in respect of loans and burden of proof

35. (1) Any person who—

- (a) obtains any loan from the Authority under the provisions of this Act by means of false representation;
- (b) wilfully applies any loan made to him by the Authority 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 Authority 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, on conviction, be liable to imprisonment for a term not exceeding two years or to a fine not exceeding five thousand ringgit or to both.

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

(3) In any criminal proceeding in respect of an offence under paragraph (1)(b), 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 lie upon the person charged.

Public Prosecutor's consent

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

Power to make regulations

37. (1) The Authority may, with the approval of the Minister, make such regulations as may be expedient or necessary for the better carrying out of the provisions of this Act.

(2) Without prejudice to subsection (1), regulations under that subsection may be made for—

- (a) prescribing the manner in which documents, cheques and instruments of any description shall be signed or executed on behalf of the Authority;
- (b) prescribing for the responsibilities and control of officers and servants of the Authority;
- (c) imposing fees in such cases as may be determined by the Authority;
- (d) providing 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 Authority, and, in particular, for regulating the method of issue, transfer, redemption or other dealing with such shares, stock, bonds, debentures or debenture stock;
- (e) prescribing the manner in which and the terms and conditions on which loans may be granted by the Authority under section 29; and
- (f) providing generally for the exercise of its powers and duties under the provisions of this Act.

(3) Such regulations—

- (a) may prescribe that any act or omission in contravention of the provisions of any regulation shall be an offence; and
- (b) may provide for the imposition of penalties for such offences, which penalties shall not exceed one thousand ringgit.

Things done in anticipation of this Act

38. All things done by any person or authority on behalf of the Authority in the preparation of and towards the proper implementation of any of the provisions of this Act and any expenditure incurred in relation thereto, in anticipation of the promulgation of this Act, shall be deemed to have been authorized by this Act; and all rights and obligations acquired or imposed on behalf of the Authority from anything so done or any expenditure so incurred shall upon the coming into force of this Act be deemed to be the rights and obligations of the Authority.

FIRST SCHEDULE

[Subsection 5(2)]

Terms and conditions of appointment, revocation and resignation

1. (1) A member of the Authority shall hold office for such term and subject to such conditions as the Minister may specify in the instrument appointing him.

(2) The appointment of any member may at any time be revoked by the Minister without assigning any reason therefor.

(3) A member may at any time resign his office by letter addressed to the Minister.

(4) A member shall devote such time to the business of the Authority as may be necessary to the discharge of his duties.

Office deemed vacated

2. (1) The office of a member of the Authority shall be vacated—

(a) if he dies;

(b) 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;

(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;

(c) if he becomes bankrupt;

(d) if he is of unsound mind or is otherwise incapable of performing his duties;

- (e) if he absents himself from three consecutive meetings without leave of the Authority;
- (f) in the event of his resignation being accepted by the Minister; or
- (g) if his appointment is revoked.

(2) 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.

Remuneration and allowances

3. There shall be paid to members of the Authority or any other person such salaries, remuneration or allowances as the Authority may determine after consultation with the Minister.

Meetings

4. (1) The Authority shall meet at least once in every two months.

(2) The quorum of the Authority shall be four.

(3) At all meetings of the Authority the Chairman, or in his absence the Deputy Chairman, or in his absence, such member as the members present may elect, shall preside.

(4) If on any question to be determined by the Authority there is an equality of votes, the Chairman, Deputy Chairman or the member presiding shall have a casting vote in addition to his deliberative vote.

(5) Subject to subparagraphs (1), (2), (3) and (4), the Authority shall determine its own procedure.

Authority may invite others to meetings

5. The Authority may request any person (not being a member of the Authority) to attend any meeting or deliberation of the Authority for the purpose of advising it on any matter under discussion, but any person so attending shall have no right to vote at the said meeting or deliberation.

Common seal

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

(2) Until a seal is provided by the Authority a stamp bearing the description "Lembaga Pertubuhan Peladang" may be used and shall be deemed to be a common seal.

(3) The common seal or the stamp referred to in subparagraph (2) shall be kept in the custody of the Chairman or such other person as may be authorized by the Authority, and shall be authenticated by either the Chairman or such authorized person or by any officer authorized 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 Authority and any such document or instrument may be executed on behalf of the Authority by any officer or servant of the Authority generally or specially authorized by the Authority in that behalf.

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

Disclosure of interest

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

Minutes

8. (1) The Authority shall cause minutes of all meetings of the Authority to be maintained and kept in a proper form.

(2) Any minutes made of meetings of the Authority shall, if duly signed, be receivable in evidence in all legal proceedings without further proof and every meeting of the Authority 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.

Validity of act and proceedings

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

- (a) of any vacancy in the membership of, or of any defect in the constitution of, the Authority;
 - (b) of the contravention by any member of the Authority 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 18]

1. The regulations made under section 18 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 Authority;
- (b) regulating the grant of leave to such officers and servants;
- (c) authorizing 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 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 Authority and for the establishment and maintenance of a pension fund;
- (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 Authority 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 Authority dies after having been superannuated or discharged or after having resigned or retired;
- (j) regulating the discipline of the officers and servants of the Authority;
- (k) provisions for the interdiction with reduction in salary or in any other remuneration, or provisions for the suspension without salary or other remuneration, of an officer or servant of the Authority during the pendency of disciplinary proceedings;
- (l) the creating of such disciplinary offences and providing for such disciplinary punishments as the Authority may deem appropriate and the punishments so provided may extend to dismissal or reduction in rank;

- (m) prescribing the procedures for disciplinary proceedings which shall provide for an opportunity for the person against whom disciplinary proceedings are taken to make representations against the disciplinary charge laid against him before a decision is arrived at by the Disciplinary Committee except in the following cases:
- (i) where an officer or a servant of the Authority is dismissed or reduced in rank on the ground of conduct in respect of which a criminal charge has been proved against him;
 - (ii) where the Authority, on the recommendations of the Minister charged with the responsibility for home affairs, is satisfied that in the interest of the security of Malaysia or any part thereof it is not expedient to carry out the requirements of this paragraph; or
 - (iii) where there has been made against an officer or a servant of the Authority any order of detention, supervision, restricted residence, banishment or deportation, or where there has been imposed on an officer or a servant of the Authority any form of restriction or supervision by bond or otherwise, under any law relating to the security of Malaysia or any part thereof, prevention of crime, preventive detention, restricted residence, banishment, immigration, or protection of women and girls; and;
- (n) the procedure for the hearing of an appeal by the Disciplinary Appeal Board or Minister.

1A. For the purpose of paragraph 1(m), “officer” includes the Director General.

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

- (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 Authority;
- (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 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 Authority who could otherwise be entitled to any benefit under any such regulations shall, if he is dismissed from the service of the Authority for fraud or dishonesty or misconduct, which involves pecuniary loss to the Authority, 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 Authority may in its absolute discretion direct; and
- (g) with the approval of the Minister the Authority may, in its discretion, in consideration of long or special services of any officer or servant of the Authority whose case does not come within the scope and effect of the Authority 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 Authority may determine.

THIRD SCHEDULE

[Section 29]

Charge on property and priority of loan

1. Where a loan is made by the Authority 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 Authority 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 Authority

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

Repayment of loans made by the Authority

3. Subject to paragraphs 4 and 5, every loan shall be repaid to the Authority 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 Authority.

Suspension of payment of principal and interest and power to extend time, compound or release**4. The Authority 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;
- (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.

Payment of loan before due date

5. The Authority 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.

Enquiry as to application of moneys lent

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

- (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 Authority may authorize 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.

Order of Authority upon such enquiry

7. Where upon an enquiry made under of paragraph 6 it appears to the Authority 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 Authority within the time mentioned in the order, and any sum with the interest thereon so ordered to be repaid to the Authority shall thereupon become a debt due to the Authority.

Misapplication of loan secured by mortgage or otherwise

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

- (a) where such loan has been secured by charge or mortgage, by notice in writing addressed to the charger or mortgager, 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 realized.

(2) Subparagraph (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 Authority 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 30]

Power of Authority to make regulations in respect of a corporation

1. The Authority shall, on or before the date on which any corporation is established under section 30, 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 Authority and its rights of control over such corporation.

Saving

2. Nothing in paragraph 1 shall be deemed to authorize the Authority to make regulations to establish any corporation for any purpose or object more extensive in scope than the purposes or objects for which the Authority 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 Authority under this Act.

Regulations subject to this Act

3. Subject to the provisions of this Act and of any regulations made under section 37, 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

4. The Authority 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 Acts 1948 and 1967 [Act 388], shall apply to any such amended or revoked regulations as if such regulations had been written law.

Register of corporation

5. The Authority shall keep a register in the prescribed form of all corporations established by it under section 30 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 Authority 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 Authority.

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

Corporation to be bodies corporate

7. Every corporation established under section 30 shall be a body corporate by such name as the Authority 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 Authority in each case.

Common seal of the corporation

8. (1) Every corporation shall have a common seal, which shall bear such device as the corporation, with the approval of the Authority 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 Authority, as the corporation shall think fit.

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

(3) The common seal, or the stamp referred to in subparagraph (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 authorized by the corporation in that behalf.

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

LAWS OF MALAYSIA**Act 110****FARMERS' ORGANIZATION AUTHORITY
ACT 1973****LIST OF AMENDMENTS**

Amending law	Short title	In force from
Act 160	Malaysian Currency (Ringgit) Act 1975	29-08-1975
Act A760	Farmers' Organization Authority (Amendment) Act 1990	01-08-1990
Act 478	Revocation of Exemption From Payment of Stamp Duties Act 1992	21-02-1992
Act A1050	Farmers' Organization Authority (Amendment) Act 1999	01-09-1999

LAWS OF MALAYSIA

Act 110

FARMERS' ORGANIZATION AUTHORITY ACT 1973

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
17	Act A760 Act A1050	01-08-1990 01-09-1999
17A	Act A1050	01-09-1999
17B	Act A1050	01-09-1999
24A	Act A760	01-08-1990
32	Act 478	21-02-1992
33	Act 160	29-08-1975
35	Act 160	29-08-1975
37	Act 160	29-08-1975
Second Schedule	Act A760 Act A1050	01-08-1990 01-09-1999

