



LAWS OF MALAYSIA

Act A1694

**MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION
(AMENDMENT) ACT 2023**

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LAWS OF MALAYSIA

Act A1694

MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION (AMENDMENT) ACT 2023

An Act to amend the Malaysia Co-operative Societies Commission Act 2007.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Malaysia Co-operative Societies Commission (Amendment) Act 2023.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

Amendment of section 2

2. The Malaysia Co-operative Societies Commission Act 2007 [*Act 665*], which is referred to as the “principal Act” in this Act, is amended in section 2—

(a) by inserting after the definition of “credit facility” the following definition:

‘ “Chief Executive Officer” means the Chief Executive Officer of the Commission appointed under section 11A;’;

(b) by inserting after the definition of “director” the following definition:

‘ “Chairman” means the Chairman of the Board appointed under paragraph 11(3)(a);’;

(c) in the definition of “appointed date”, by substituting for the full stop at the end of the definition a semicolon; and

(d) by inserting after the definition of “appointed date” the following definition:

‘ “Deputy Chief Executive Officer” means the Deputy Chief Executive Officer appointed under section 11A;’.

Amendment of section 6

3. Subsection 6(3) of the principal Act is amended by deleting the word “Executive”.

Amendment of section 11

4. Section 11 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) The Commission shall have a board of directors which shall be responsible for the conduct of the business and affairs of the Commission and shall exercise all powers and do all acts which may be exercised or done by the Commission.”;

(b) by deleting subsection (2);

(c) by substituting for subsection (3) the following subsection:

“(3) The Board shall consist of the following directors:

(a) a Chairman appointed by the Yang di-Pertuan Agong, on the advice of the Minister;

- (b) the Secretary General or a Deputy Secretary General of the Ministry charged with the responsibility for co-operative development as nominated by the Minister;
 - (c) the Secretary General of Treasury or a Deputy Secretary General of Treasury or any representative of the Ministry of Finance;
 - (d) a Secretary General or a Deputy Secretary General of a ministry as appointed by the Minister;
 - (e) the Governor, or a Deputy Governor or an Assistant Governor of Bank Negara Malaysia as nominated by the Governor;
 - (f) a Chief Executive Officer appointed by the Minister under section 11A; and
 - (g) six persons appointed by the Minister, at least two of whom shall be persons of standing and experience in the co-operative movement.”;
- (d) by deleting subsections (4), (5) and (6);
- (e) in subsection (7)—
- (i) by substituting for the words “Executive Chairman and the Deputy Executive Chairman” the word “Chairman”; and
 - (ii) by substituting for the words “their respective letters of appointment” the words “his letter of appointment”; and
- (f) by deleting subsection (8).

New sections 11A, 11B, 11C and 11D

5. The principal Act is amended by inserting after section 11 the following sections:

“Chief Executive Officer and Deputy Chief Executive Officer

11A. (1) The Minister shall appoint a Chief Executive Officer and not more than three Deputy Chief Executive Officers to assist the Chief Executive Officer, on such terms and conditions as provided for in their respective letters of appointment.

(2) The Chief Executive Officer and the Deputy Chief Executive Officers shall devote the whole of his professional time to the service of the Commission and while holding office shall not occupy any other office or employment whether remunerated or not.

(3) Notwithstanding subsection (2) and any other provision in this Act, the Chief Executive Officer or the Deputy Chief Executive Officers may be appointed by any written law or constitution or statute or with the approval of the Minister to exercise such powers, discharge such duties, and perform such functions under any written law, and to be conferred with such title of office as may be set out in such written law.

Power and duty of Chief Executive Officer

11B. (1) The Commission shall vest in the Chief Executive Officer such powers and impose upon him such duties as may be determined by the Board.

(2) The Chief Executive Officer shall act under the general authority and directions of the Board which shall be consistent with this Act.

(3) The Chief Executive Officer shall not decide on matters pertaining to policy and the strategic direction of the Commission without the approval of the Board.

- (4) The Chief Executive Officer shall—
- (a) be responsible for the overall administration and management of the functions, activities and day-to-day affairs of the Commission in accordance with the policy laid down by the Commission;
 - (b) exercise supervision and control over all officers and employees of the Commission; and
 - (c) perform such other duties and undertake such other responsibilities as the Board may determine or direct from time to time.
- (5) The Chief Executive Officer shall exercise reasonable care, skill, diligence and proper judgment in exercising his duties under this Act.
- (6) The Chief Executive Officer is deemed to have exercised proper judgment referred to in subsection (5) if he—
- (a) makes the judgment in good faith for a proper purpose;
 - (b) does not have a material personal interest in the subject matter of the judgment;
 - (c) is informed about the subject matter of the judgment to the extent he reasonably believes to be appropriate under the circumstances; and
 - (d) reasonably believes that the judgment is in the best interest of the Government and the Commission.
- (7) The Chief Executive Officer shall perform such other duties as the Board may direct from time to time.

Temporary exercise of the functions of Chief Executive Officer

11c. (1) The Minister may appoint temporarily any Deputy Chief Executive Officer to act as the Chief Executive Officer for the period when—

- (a) the office of the Chief Executive Officer is vacant;

(b) the Chief Executive Officer is absent from duty or from Malaysia; or

(c) the Chief Executive Officer is, for any other reason, unable to perform his functions.

(2) In the event that the office of the Chief Executive Officer is vacant for more than six months, the Minister shall appoint another person to be the Chief Executive Officer, and upon such appointment, the previous Chief Executive Officer shall cease to hold office.

Secretary to the Board

11D. (1) The Commission shall appoint a secretary to the Board from amongst officers of the Commission for such period and on such terms and conditions as may be specified in his letter of appointment.

(2) The secretary shall be responsible for—

(a) the general conduct, administration and management of the functions and activities of the Commission; and

(b) the carrying out of the decisions of the Commission.

(3) The secretary shall perform such further duties as the Chief Executive Officer and the Commission may direct from time to time.

(4) In discharging his duties the secretary shall act under the general authority and directions of the Chief Executive Officer and the Commission.

(5) The Commission may appoint such number of officers and employees of the Commission as may be necessary to assist the secretary in discharging its functions effectively and efficiently and for the purpose of carrying into effect the provisions of this Act.”.

Amendment of section 13

6. Section 13 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) The Chairman shall be appointed for a term not exceeding five years and may be reappointed.”; and

(b) by substituting for the words “paragraphs 11(3)(c), (d), (e) and (f)” the words “paragraphs 11(3)(b), (c), (d) and (e)”.

Amendment of section 14

7. Section 14 of the principal Act is amended by substituting for the words “paragraph 11(3)(g)” the words “paragraphs 11(3)(a), (f) and (g)”.

Amendment of section 15

8. Section 15 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) An officer of a co-operative society, as defined in section 2 of the Co-operative Societies Act 1993, shall not be appointed or remain as a director.”; and

(b) by substituting for subsection (2) the following subsection:

“(2) The Minister may at any time revoke the appointment of any director without giving any reason therefor.”.

Amendment of section 19**9. Section 19 of the principal Act is amended—**

(a) in subsection (1), by substituting for the words “The Executive Chairman, or in his absence the Deputy Executive Chairman,” the words “The Chairman, or in the absence of the Chairman any director nominated by the Chairman to act on his behalf,”;

(b) in subsection (2), by substituting for the words “paragraphs 11(3)(c), (d), (e) and (f)” the words “paragraphs 11(3)(b), (c), (d) and (e)”;

(c) in subsection (3), by substituting for the words “The Executive Chairman, or in his absence the Deputy Executive Chairman,” the words “The Chairman, or in the absence of the Chairman any director nominated by the Chairman to act on his behalf,”;

(d) by substituting for subsection (7) the following subsection:

“(7) Nothing in this section shall prevent the Chairman, or in the absence of the Chairman any director nominated by the Chairman to act on his behalf, from authorizing a director to use remote communication technology to participate in any meeting of the Board where, prior to the meeting, the director, by notification to the Chairman, or in the absence of the Chairman any director nominated by the Chairman to act on his behalf, as the case may be, has requested for such authorization.”; and

(e) by inserting after subsection (7) the following subsections:

“(8) The Chairman shall only, for the purposes of subsections (1), (3) and (7), nominate the director who is appointed under paragraph 11(3)(b), (c), (d) or (e) to act on his behalf.

(9) For the purposes of subsection (7), “remote communication technology” means a live video link, a live television link or any other electronic means of communication.”.

Amendment of section 24

10. Section 24 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) The Commission may, in writing, delegate any of its powers or functions under this Act, the Co-operative Societies Act 1993 or any other written law other than its power to make subsidiary legislation to—

(a) the Chief Executive Officer; or

(b) any committee established under section 10.”;

(b) in paragraph 2(b), by substituting for the words “Executive Chairman, the Deputy Executive Chairman” the words “Chief Executive Officer”; and

(c) in subsection (4), by substituting for the words “Executive Chairman” wherever appearing the words “Chief Executive Officer”.

Amendment of section 45

11. Section 45 of the principal Act is amended—

(a) in subsection (1), by substituting for the words “Commission may” the words “Chief Executive Officer may”;

(b) in subsection (3), by substituting for the words “Executive Chairman” wherever appearing the words “Chief Executive Officer”; and

- (c) in subsection (4), by substituting for the words “Executive Chairman” wherever appearing the words “Chief Executive Officer”.

Amendment of section 46

12. Paragraph 46(5)(b) of the principal Act is amended by substituting for the words “Executive Chairman” the words “Chief Executive Officer”.

Amendment of section 56

13. Subsection 56(1) of the principal Act is amended by substituting for the words “Executive Chairman” the words “Chief Executive Officer”.

Amendment of section 60

14. Paragraph 60(2)(b) of the principal Act is amended by substituting for the words “Executive Chairman, the Deputy Executive Chairman” the words “Chairman, the Chief Executive Officer, the Deputy Chief Executive Officer”.

Amendment of section 62A

15. Section 62A of the principal Act is amended by substituting for the words “Executive Chairman” the words “Chief Executive Officer”.

Saving and transitional

16. (1) Every reference to “Executive Chairman of the Malaysia Co-operative Societies Commission” in any other written law shall be construed as a reference to “Chief Executive Officer of the Malaysia Co-operative Societies Commission”.

(2) The person holding the office of the Executive Chairman immediately before to the commencement of this Act shall continue to hold such office and shall be deemed to be appointed as the Chief Executive Officer under the principal Act as amended by this Act.

(3) The person holding the office of the Deputy Executive Chairman immediately before to the commencement of this Act shall continue to hold such office and shall be deemed to be appointed as the Deputy Chief Executive Officer under the principal Act as amended by this Act.

(4) Any order, directive, guideline, circular, notice, decision, approval or determination issued or made by the Executive Chairman or Deputy Executive Chairman immediately before the commencement of this Act shall be deemed to be made or issued by the Chief Executive Officer under the principal Act as amended by this Act and shall remain valid.