



# PARLIMEN MALAYSIA



## **BILL**

**Public Authorities ( Control of Borrowing Powers ) 1960**

**D.R.36/1960**



Federation of Malaya

HIS MAJESTY'S GOVERNMENT

# Gazette

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*BILLS*  
*SUPPLEMENT No. 14*

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The following Bill introduced into the House of Representatives is published for general information:

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(Presented and read a first time and ordered to be printed, 12th September, 1960.)

A BILL  
intituled

An Act to regulate the borrowing powers and guarantees of public authorities.

[ ]

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:

1. This Act may be cited as the Public Authorities (Control of Borrowing Powers) Act, 1960. Short title.

2. In this Act—

“public authority” means any local authority or any statutory authority, exercising powers vested in it by Federal or State law, specified in the Schedule hereto, and any officer or authority appointed by or acting on behalf of any such authority;

Interpre-  
tation.

“Treasury” means the Minister of Finance and includes any officer under the administrative control or direction of the Minister of Finance to whom the Minister has delegated, or who, in accordance with the provisions of section 6 or 7 of the Delegation of Powers Ordinance, 1956, is authorised to exercise, powers under this Ordinance.

56 of 1956.

3. Notwithstanding the provisions of any other written law, no public authority shall borrow money, or enter into any guarantee involving a financial liability, except with the authority of the Treasury; and in granting such authority the Treasury may, in the case of a public authority exercising powers vested in it by any State law, with the approval of the Ruler or Governor of such State impose such terms and conditions thereunder as it may think fit.

Restriction  
on  
borrowing.

4. Any contract, guarantee or undertaking entered into by any public authority in contravention of the provisions of section 3 shall be void, and no action shall be maintainable by any person thereunder, except in relation to the return of the money or other consideration, if any, paid thereunder.

Contracts,  
etc., contra-  
vening  
section 3  
to be void.

5. The Yang di-Pertuan Agong may, in the case of a public authority exercising powers vested in it under any State law, after consultation with the Ruler or Governor of such State, by order published in the *Gazette* add to, amend or delete any of the provisions of the Schedule hereto.

Amend-  
ment of  
Schedule.

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OF 1960

## SCHEDULE

(sections 2 and 5)

1. The City Council of Penang.
2. The Municipal Council of Malacca.

## EXPLANATORY STATEMENT

The Federal legislature has power, under the Constitution, to legislate in relation to borrowing by "public authorities", a term including local authorities and statutory authorities exercising powers conferred by Federal or State law. The Federation itself can borrow only under the authority of Federal law, and a State under the authority of State law, and it is proposed, by the above measure, that the borrowing powers of the municipalities operating under the Municipal Ordinance (Cap. 133 of the Laws of the Straits Settlements) should be subject to Treasury approval, in addition to the approval under the Ordinance of the State Governments concerned.

2. *Clause 3* of the Bill provides that any public authority specified in the Schedule may borrow money or enter into financial guarantees only with the consent of the Treasury, and subject to such terms and conditions as the Treasury may think fit to impose: provided that where the authority is exercising powers vested in it under any State law the prior approval of the Ruler or Governor of the State is obtained. Any transaction entered into in contravention of *clause 3*, or of any authority issued thereunder, will (*clause 4*) be void, except in so far as an action may lie for the recovery of any money paid thereunder. Finally, under *clause 5* the Yang di-Pertuan Agong may add to or delete from the Schedule the name of any public authority.

[AG. 2377.]

MALAYSIA