



LAWS OF MALAYSIA

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Act 202

BANK KERJASAMA RAKYAT MALAYSIA BERHAD (SPECIAL PROVISIONS) ACT 1978

As at 1 November 2015

**BANK KERJASAMA RAKYAT MALAYSIA BERHAD
(SPECIAL PROVISIONS) ACT 1978**

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ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title and commencement
2. Interpretation
3. Consequences upon commencement of Act

PART II

BOARD OF DIRECTORS AND ADMINISTRATION

4. Board of Directors and its primary responsibility
5. The First Schedule
6. Custody and control of property
7. Devolution of rights and liabilities
8. Steps for the efficient management of the Bank
9. Submission of particulars by previous directors
10. Power of the Bank to institute proceedings for damages and recovery of property
11. Termination of service of officers and employees of the Bank

Section

12. Wilful destruction of, or failure to deliver, books, registers and documents of the Bank
13. Protection in respect of acts done in pursuance of this Act

PART III

AUTHORIZED BUSINESS AND RESTRICTIONS
ON BUSINESS

14. Authorized business of the Bank
15. Restrictions on payment of dividends and grant of advances and loans to directors

PART IV

SUPERVISION AND CONTROL

16. Directions by Minister
17. Inspection of books, *etc.*, and power to investigate into the affairs of the Bank
18. Information to Minister
19. Past activities of the Bank
20. Subsidiaries of the Bank

PART V

THE STATUTORY RESERVE FUND, ACCOUNTS,
AND AUDIT

21. Maintenance of the Statutory Reserve Fund
22. Declaration of dividends
23. Audit
24. Transmission of accounts, balance-sheets, and reports to the Minister and the Minister of Finance

PART VI

GENERAL

Section

25. General meetings of the Bank
26. Public servant and public officer
27. Preservation of secrecy
28. Regulations
29. Disability as to claims
30. Continuance of personal liability
31. Power to terminate operation of Act

FIRST SCHEDULE

SECOND SCHEDULE

LAWS OF MALAYSIA**Act 202****BANK KERJASAMA RAKYAT MALAYSIA BERHAD
(SPECIAL PROVISIONS) ACT 1978**

An Act to make special provisions for the proper management and administration of the Bank Kerjasama Rakyat Malaysia Berhad.

[16 February 1978, P.U. (B) 105/1978]

BE IT ENACTED by the Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent by 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. (1) This Act may be cited as the Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978.

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

Interpretation

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

“Bank” means the co-operative society known as the Bank Kerjasama Rakyat Malaysia Berhad;

“Board” means the Board of Directors of the Bank established under section 4 and constituted in accordance with paragraph 1 of the First Schedule;

“Chairman” means the Chairman of the Bank appointed under subparagraph 1(2) of the First Schedule;

“Commission” means the Malaysia Co-operative Societies Commission established under the Malaysia Co-operative Societies Commission Act 2007 [*Act 665*];

“director” means a member of the Board and includes the Chairman and the Managing Director;

“General Manager” means any General Manager of the Bank appointed under subparagraph 3(1) of the First Schedule;

“Managing Director” means the Managing Director of the Bank appointed under subparagraph 3(1) of the First Schedule;

“Minister” means the Minister charged with the responsibility for co-operative development;

“previous Board” means the Board of Directors of the Bank constituted under the Co-operative Societies Act 1993 and the by-laws of the Bank;

“previous director” means a person who was a member of the Board of Directors of the Bank at any time before the commencement of this Act;

“Secretary” means the Secretary of the Bank appointed under paragraph 4 of the First Schedule;

“subsidiary” means a company as defined in the Companies Act 1965 [*Act 125*], in which the Bank controls the composition of the Board of Directors or more than half of the voting power, or holds

more than half of the issued share capital, and includes a subsidiary, as defined in the said Act, of such a company.

(2) Words and expressions appearing in this Act, other than those defined in subsection (1), shall, unless the context otherwise requires, bear the meanings assigned to them in the Co-operative Societies Act 1993.

Consequences upon commencement of Act

3. Upon the commencement of this Act—

- (a) the previous Board shall cease to exercise its powers and discharge its duties and responsibilities in relation to the Bank and shall stand dissolved;
- (b) the provisions of this Act shall apply in relation to the Bank;
- (c) notwithstanding anything contained in the Co-operative Societies Act 1993, the rules made thereunder, or the by-laws of the Bank, the right of members or shareholders of the Bank to elect or remove directors of the Bank shall cease to be exercisable;
- (d) the directors of the Bank holding office immediately before that commencement shall cease to hold any office in the Bank or in any of its subsidiaries;
- (e) the executive committee of the Bank appointed under the by-laws of the Bank shall cease to exercise the powers conferred by the by-laws and shall stand dissolved;
- (f) in exercising any power in relation to the Bank under any written law, or under the by-laws of the Bank, the Commission shall be subject to the direction and control of the Minister and shall comply with and give effect to any direction given by the Minister;

- (g) notwithstanding paragraph (f), the Minister may exercise any function or power conferred on the Commission under any written law, or under the by-laws of the Bank, if he deems it necessary or expedient to do so;
- (h) the Minister may, in his absolute discretion, from time to time direct that any function, power, or duty exercisable by the general meeting of the Bank shall not be exercised by the general meeting, or that it shall be exercised subject to such directions as the Minister may, with the concurrence of the Minister of Finance, give, or that it shall instead be exercised, with the concurrence of the Minister of Finance, by himself or by such other person or authority as he may specify;
- (i) the Bank, in addition to being subject to this Act, shall continue to be subject to the provisions the Co-operative Societies Act 1993, the rules made thereunder, and the by-laws of the Bank, but where there is any conflict or inconsistency between the provisions of this Act and the provisions of the Co-operative Societies Act 1993, the rules made thereunder, or any other written law, or the by-laws of the Bank, the provisions of this Act shall prevail.

PART II

BOARD OF DIRECTORS AND ADMINISTRATION

Board of Directors and its primary responsibility

4. (1) For the purposes of this Act, there shall be a Board of Directors of the Bank, constituted in accordance with paragraph 1 of the First Schedule.

(2) The Board shall be responsible for carrying out the functions and powers, and the general administration of the affairs and business, of the Bank.

The First Schedule

5. (1) The supplementary provisions in the First Schedule shall apply to the Board, the Bank, and the principal officers of the Bank.

(2) The Minister may from time to time by order published in the *Gazette* amend the First Schedule with regard to—

- (a) the number of members of the Board specified in subparagraph 1(1);
- (b) the period of appointment of a director specified in subparagraph 2(1);
- (c) the frequency of meetings of the Board specified in subparagraph 5(2);
- (d) the number of directors specified in subparagraph 5(3), being the number at whose request a meeting of the Board shall be summoned;
- (e) the period of notice of meetings of the Board specified in subparagraph 5(4);
- (f) the quorum for meetings of the Board specified in subparagraph 5(6).

Custody and control of property

6. The Board shall take such steps as may be necessary to take into its custody or under its control all property, effects, and actionable claims to which the Bank is or appears to be entitled.

Devolution of rights and liabilities

7. (1) The Board shall for all purposes be deemed to be the Board of Directors of the Bank duly constituted under the Co-operative Societies Act 1993 and the by-laws of the Bank and shall be entitled to exercise all the powers of the Board of Directors of the Bank,

whether such powers are derived from the Co-operative Societies Act 1993, the rules made thereunder, or the by-laws of the Bank; and any reference to the Board of Directors of the Bank in any written law or document shall be deemed to be a reference to the Board.

(2) Subject to this Act, all powers, rights, privileges, duties, liabilities and obligation that, immediately before the commencement of this Act, were those of the previous Board shall, as from that commencement, devolve on the Board.

Steps for the efficient management of the Bank

8. Subject to any directions of the Minister, the Board shall take such steps as may be necessary for the purpose of efficiently managing the business of the Bank.

Submission of particulars by previous directors

9. (1) The Board may from time to time require any previous director to submit to it, within such time as it may allow, a signed statement of particulars concerning such matters relating to the affairs of the Bank as the Board may specify, including matters relating to—

- (a) the assets of the Bank;
- (b) the debts and liabilities of the Bank;
- (c) the debts and liabilities owing to the Bank;
- (d) the creditors and debtors of the Bank.

(2) Any previous director who, without reasonable excuse—

- (a) fails, within the time allowed by the Board, to submit to the Board a statement as required by the Board under subsection (1) and signed by him; or

- (b) in submitting a statement, fails to set out the particulars in the manner specified by the Board or omits certain particulars required by the Board; or
- (c) submits a statement containing any incorrect or untrue particulars,

shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding twelve months or to both.

Power of the Bank to institute proceedings for damages and recovery of property

10. (1) The Bank may, if the Board is satisfied that it is necessary in the interest of the Bank or in the public interest so to do, institute such proceedings as it thinks fit for the recovery of damages for any fraud, dishonesty, or other misconduct, in connection with the management of the affairs of the Bank, committed by any person before the commencement of this Act, or for the recovery of any property of the Bank that has been misapplied or wrongfully retained by any person.

(2) No director shall be personally liable for any costs or expenses incurred in connection with any proceedings instituted by virtue of this section.

(3) Subsection (1) shall be without prejudice to any other right of the Bank to institute proceedings for any purpose.

Termination of service of officers and employees of the Bank

11. (1) The Board may, if it is satisfied that it is necessary in the interest of the Bank or in the public interest so to do, terminate the services of any officer or employee of the Bank in accordance with the terms and conditions of his contract of service or for any misconduct, in connection with the management of the affairs of the

Bank, committed by the officer or employee before the commencement of this Act.

(2) Subsection (1) shall be without prejudice to any other right of the Board to terminate the services of the officers and employees of the Bank.

Wilful destruction of, or failure to deliver, books, registers, and documents of the Bank

12. Any person who wilfully destroys, or fails to deliver to the Board when required by the Board, any book of account, register, or other document in his custody relating to the business of the Bank, or retains without authority any property of the Bank, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding two thousand ringgit or to imprisonment for a term not exceeding twelve months or to both.

Protection in respect of acts done in pursuance of this Act

13. No action, suit, prosecution, or other proceeding whatsoever shall lie or be brought or instituted against the Minister, the Minister of Finance, the Government, or any director in respect of any act done or purported to have been done in pursuance or intended pursuance of this Act, the Co-operative Societies Act 1993, the rules made thereunder, or the by-laws of the Bank.

PART III

AUTHORIZED BUSINESS AND RESTRICTIONS ON BUSINESS

Authorized business of the Bank

14. (1) In addition to the powers, functions, duties and responsibilities conferred or imposed on the Bank by the

Co-operative Societies Act 1993, the rules made thereunder, and the by-laws of the Bank, the Bank may—

- (a) make loans to, and stand guarantee for any loan of money to, any person, whether or not a member of the Bank;
- (b) grant and issue letters of credit to any person, whether or not a member of the Bank;
- (c) acquire, hold, issue on commission, underwrite, and deal with stock, bonds, funds, obligations, securities and investments of all kinds;
- (d) transact all manner of agency business;
- (e) acquire and undertake the whole or any part of the business of any person or company carrying on any business of the same nature as the Bank may lawfully carry on, or possessed of property suitable for the purposes of the Bank;
- (f) maintain accounts with other banks in Malaysia;
- (g) carry on any other business expressly authorized by the Minister with the concurrence of the Minister of Finance.

(2) In exercising its powers and carrying out its functions, the Bank shall give paramount consideration to its primary objective of raising the economic status of its members.

(3) The Minister may, with the concurrence of the Minister of Finance, by order published in the *Gazette* exempt the Bank from any provisions of the Co-operative Societies Act 1993 or direct that any of the provisions of the Co-operative Societies Act 1993 shall apply to the Bank with such modifications as may be specified in the order.

(4) No investment exceeding the amount determined by the Minister with the concurrence of the Minister of Finance shall be made by the Board in exercise of its powers under section 54 of the Co-operative Societies Act 1993 or under subsection (1), unless prior written approval of the Minister, given with the concurrence of the Minister of Finance, has been obtained.

Restrictions on payment of dividends and grant of advances and loans to directors

15. (1) The Bank shall not—

- (a) pay any dividend on its shares until all its capitalized expenditure, including preliminary expenses, organization expenses, share-selling commission, brokerage, amounts of losses incurred, and other items of expenditure not represented by tangible assets, has been completely written off;
- (b) grant unsecured advances or unsecured loans in excess of, in the aggregate and outstanding at any one time, ten thousand ringgit to—
 - (i) any of its directors; or
 - (ii) any firm or corporation in which any of the directors of the Bank is interested as a partner, director, manager, or agent; or
 - (iii) any subsidiary of the Bank; or
 - (iv) any individual, firm, or corporation of whom or of which any of the directors of the Bank is a guarantor;
- (c) grant to any of its officers or employees unsecured advances or unsecured loans in excess of, in the aggregate and outstanding at any one time, six months' remuneration of the officer or employee.

(2) All the directors of the Bank shall be liable jointly and severally to indemnify the Bank against any loss arising from the making of any unsecured advance or unsecured loan under paragraph (1)(b).

(3) No secured advance or loan in excess of, in the aggregate and outstanding at any one time, ten thousand ringgit shall be granted

to any such person, firm, or corporation as is mentioned in paragraph (1)(b) unless the following conditions are satisfied, namely—

- (a) that the borrower meets the standards of credit worthiness required of other borrowers;
- (b) that the terms of the advance or loan are not less favourable to the Bank than those offered to others;
- (c) that the grant of the advance or loan will serve the best interests of the Bank; and
- (d) that the advance or loan has been approved by the votes of not less than two-thirds of the directors of the Bank at a duly convened meeting of the Board, and the approval has been recorded in the minutes of the meeting.

(4) In paragraph (1)(b), “director” includes the wife, husband, father, mother, son, or daughter of a director.

(5) In this section, “unsecured advances” and “unsecured loans” mean respectively advances and loans made without security or, in the case of advances and loans made with security, any portion thereof that at any time exceeds the value of the assets constituting the security.

(6) Where, in construing subsection (5), a dispute arises as to the value of any asset constituting a security, the value shall be taken to be the market value determined on the basis of a valuation approved by the Minister with the concurrence of the Minister of Finance.

PART IV

SUPERVISION AND CONTROL

Directions by Minister

16. The Minister may, from time to time, issue directions to the Board or to the managing body of any of the subsidiaries of the Bank with respect to the running of the affairs of the Bank or the subsidiary, including such directions as he considers necessary or expedient for the protection of the interests of the members or depositors of the Bank or subsidiary, and directions for the furnishing to him of such information concerning the affairs of the Bank or subsidiary as he may specify; and the Board or managing body, as the case may be, shall comply with such directions.

Inspection of books, etc., and power to investigate into the affairs of the Bank

17. (1) The Minister may authorize any person in writing to inspect at any time the books, accounts, papers, securities, and cash in hand of the Bank or any of its subsidiaries; and every officer of the Bank or subsidiary, including every past officer, shall furnish such information and produce such books, accounts, papers, and securities relating to the transactions and working of the Bank or subsidiary as the authorized person may require.

(2) Any officer, including any past officer, of the Bank or subsidiary who fails to comply with any requirement of an authorized person under subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding five hundred ringgit for every day during which the default continues.

(3) Without prejudice to subsection (1), the Minister may authorize any person in writing to make an investigation, under conditions of secrecy, of the books, accounts, and transactions of the Bank or any of its subsidiaries, if he has reason to believe that the Bank or subsidiary is carrying on its business in a manner detrimental

to the interests of its members or depositors, or does not have sufficient assets to cover its liabilities to the public, or is contravening this Act.

(4) For the purposes of an investigation under subsection (3), the Bank and subsidiary shall afford the authorized person access to its books, accounts, and documents and shall give such information and provide such facilities as he may require to conduct the investigation.

(5) If the Bank or subsidiary fails to comply with subsection (4), it shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one thousand ringgit for every day during which the default continues.

Information to Minister

18. (1) The Bank shall, once in every three months, submit to the Minister or to an officer designated by him and to the Minister of Finance or to an officer designated by him a report on the assets and liabilities of the Bank and a statement showing particulars of all advances and loans granted to—

- (a) any of its directors, as defined in subsection 15(4);
- (b) any firm or corporation in which any of the directors of the Bank, as defined in subsection 15(4), is interested as a partner, director, manager, or agent;
- (c) any subsidiary of the Bank;
- (d) any individual, firm, or corporation of whom or of which any of the directors of the Bank, as defined in subsection 15(4), is a guarantor;
- (e) any of its officers or employees in excess of six months' remuneration of the officer or employee; and

- (f) any corporation, other than a corporation to which paragraph (d) applies, in which any of the directors, officers, or employees of the Bank is interested as a director, manager, agent, or guarantor.

(2) If, on examination of the report and statement submitted by the Bank under subsection (1), it appears to the Minister or to the officer designated by him that any advance or loan granted is to the detriment of the interests of the members or depositors of the Bank, the Minister or, on the direction of the Minister, the designated officer may, with the concurrence of the Minister of Finance, by order in writing prohibit the Bank from granting any further advance or loan or impose such restrictions on further grants as the Minister or the designated officer, with the concurrence of the Minister of Finance, thinks fit, and may further, with the concurrence of the Minister of Finance, direct the Bank to secure repayment of any advance or loan within such time and to such extent as may be specified in the order.

Past activities of the Bank

19. (1) The Board shall, as soon as may be after the commencement of this Act, submit to the Minister and the Minister of Finance a written report on the activities being undertaken by the Bank immediately before that commencement.

(2) The Minister may, with the concurrence of the Minister of Finance, approve, either unconditionally or subject to such conditions as he thinks fit to impose, all or any of the activities so undertaken by the Bank or may, with the concurrence of the Minister of Finance, direct that all or any of such activities shall cease.

(3) Notwithstanding anything contained in any other written law to the contrary, the activities approved by the Minister under subsection (2) shall be deemed to have been lawfully carried out by the Bank.

Subsidiaries of the Bank

20. (1) The Board may establish subsidiaries under the Companies Act 1965 [*Act 125*], but before doing so the Board shall submit its proposal for that purpose to the Minister and the Minister of Finance, and no subsidiary shall be established unless the proposal has been approved by the Minister with the concurrence of the Minister of Finance.

(2) Notwithstanding anything contained in any other written law to the contrary, the subsidiaries established by the Bank before the commencement of this Act shall be deemed to have been lawfully established.

(3) The Minister may, with the concurrence of the Minister of Finance, direct the Bank to wind up any of its subsidiaries established before the commencement of this Act and the directors shall comply with such direction.

(4) Notwithstanding anything contained in any other written law to the contrary, it shall be lawful for the Board to permit in writing any officer or employee of the Bank to hold any executive office in any subsidiary of the Bank.

PART V

THE STATUTORY RESERVE FUND, ACCOUNTS, AND AUDIT

Maintenance of the Statutory Reserve Fund

21. (1) The Bank shall maintain a Statutory Reserve Fund.

(2) At the end of each financial year, the net profit of the Bank for that year shall be determined after allowing for the expenses of operation and after provision has been made for bad and doubtful debts, depreciation of assets, and contributions to staff and pension funds.

(3) The net profit for the financial year, as determined in accordance with subsection (2), shall be dealt with in the following manner:

- (a) where at the end of the financial year the Statutory Reserve Fund is less than fifty per centum of the paid-up capital of the Bank, at least fifty per centum of the net profit shall be credited to the Statutory Reserve Fund;
- (b) where at the end of the financial year the Statutory Reserve Fund is fifty per centum or more, but less than one hundred per centum, of the paid-up capital of the Bank, at least twenty-five per centum of the net profit shall be credited to the Statutory Reserve Fund.

Declaration of dividends

22. (1) Subject to paragraph 15 (1)(a) and subsection (2) of this section, the Board may from time to time, if in its opinion there are sufficient moneys available, for that purpose declare and pay out dividends on its shares from the net profit, including any profit made in past years.

(2) The Board shall not, unless approved by the Minister with the concurrence of the Minister of Finance, declare and pay out dividends on its shares in excess of ten per centum of the value of the shares.

Audit

23. (1) The accounts of the Bank shall be audited by the Auditor General or any other auditor appointed by the Board with the approval of the Minister given with the concurrence of the Minister of Finance.

(2) The duties of the Auditor General or other auditor shall be to carry out an audit of the accounts of the Bank and to make report on its annual balance-sheet and trading and profit and loss account,

including its consolidated balance-sheet and consolidated profit and loss account.

Transmission of accounts, balance-sheets and reports to the Minister and the Minister of Finance

24. (1) The Bank shall, within six months from the close of its financial year or within such extended period as the Minister may, with the concurrence of the Minister of Finance, allow, transmit to the Minister and the Minister of Finance a copy of—

- (a) the trading and profit and loss account of the Bank for the financial year;
- (b) the balance-sheet of the Bank as at the close of the financial year;
- (c) a report signed by or on behalf of the Board with respect to the state of affairs of the Bank and its subsidiaries and stating with appropriate details the matters mentioned in subsection 35A(4) of the Co-operative Societies Act 1993; and
- (d) the auditor's report referred to in subsection 23(2).

(2) The Second Schedule shall apply in relation to subparagraphs (1)(a) and (b).

(3) The accounts, balance-sheets and reports mentioned in subsection (1) shall be published in any local newspaper by the Bank.

PART VI
GENERAL

General meetings of the Bank

25. The Board may at any time, if it thinks expedient, and shall, on being directed by the Minister, convene a general meeting of the Bank to carry out the following business, that is to say—

- (a) to consider the accounts, balance-sheets, and reports mentioned in subsection 24(1);
- (b) to consider any other matter brought by the Board; and
- (c) to consider any other matter specified by the Minister.

Public servant and public officer

26. Every director, officer, and employee of the Bank and of every subsidiary of the Bank shall be deemed to be a public servant within the meaning of the Penal Code [*Act 574*] and shall be deemed to be a public officer for the purposes of any other written law.

Preservation of secrecy

27. Except for the purpose of the proper performance of his duties or exercise of his functions, or for the purpose of any legal proceedings in which the Bank is a party, or except where he is lawfully required by any court or under any law, no director, General Manager, officer, or employee of the Bank shall disclose to any person any information relating to the affairs of the Bank or of any customer of the Bank that he has acquired in the performance of his duties or the exercise of his functions.

Regulations

28. The Board may, with the approval of the Minister, make regulations, not inconsistent with this Act or the Co-operative Societies Act 1993, for the better carrying out of the objects and purposes of this Act.

Disability as to claims

29. No person who was a director, a member of any committee, an officer, or an employee of the Bank before the commencement of this Act shall be entitled to make any claim against the Bank or any other person in respect of any matter arising out of or resulting from this Act, or arising out of or resulting from anything done under this Act.

Continuance of personal liability

30. Nothing in this Act shall be construed as absolving any person who was a director, a member of any committee, an officer, or an employee of the Bank before the commencement of this Act from personal liability for anything arising from his involvement before that commencement in the affairs of the Bank, for which he would be personally liable.

Power to terminate operation of Act

31. (1) If at any time it appears to the Minister that it is no longer necessary that this Act should remain in force, the Minister may, with the concurrence of the Minister of Finance, direct the Board to call a general meeting of the members of the Bank for the purpose of constituting a Board of Directors under the by-laws of the Bank.

(2) As soon as possible after a Board of Directors has been constituted under the by-laws of the Bank pursuant to subsection (1), the Minister may by order published in the *Gazette* declare that this Act shall cease to remain in force, and such an order may contain

such consequential or transitional provisions as the Minister may deem necessary or expedient.

(3) Subject to subsection (4), on the date when the order under subsection (2) takes effect, the Board shall be divested of the management and administration of the Bank, and such management and administration shall vest in the Board of Directors constituted under the by-laws of the Bank pursuant to subsection (1).

(4) Notwithstanding subsection (3), until such time as the Board of Directors constituted under the by-laws of the Bank meets or holds its first meeting, the Board established under subsection 4(1) may continue to manage and administer the affairs of the Bank on behalf of the said Board of Directors.

FIRST SCHEDULE

[Section 5]

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD, THE BANK,
AND THE PRINCIPAL OFFICERS OF THE BANK

Composition of the Board

1. (1) The Board shall consist of a Chairman and not less than six and not more than eleven other members.

(2) The Minister may appoint the Chairman and other members of the Board.

Tenure and incidents of office of director

2. (1) The appointment of the Chairman and other directors shall be for a period not exceeding two years, but any such appointee shall be eligible for reappointment.

(2) The Minister may at any time revoke any appointment made under subparagraph (1) without assigning any reason therefor.

(3) The Chairman and other directors shall be paid by the Bank such remuneration and allowances as the Minister may, with the concurrence of the Minister of Finance, determine.

(4) During any absence or inability of the Chairman or any other director for any cause, the Minister may appoint another person to be a temporary Chairman or director, as the case may be.

(5) Without prejudice to subparagraph (2), the Minister shall revoke the appointment of the Chairman or any other director if he—

(a) has been guilty of serious misconduct in relation to his office;

(b) has been absent, except with leave, from three meetings of the Board successively; or

(c) has failed to fulfil his obligations duties under this Act, the Co-operative Societies Act 1993, the rules made thereunder, or the by-laws of the Bank.

(6) A person shall be disqualified from being appointed or remaining as a Chairman or director if he—

- (a) is of unsound mind or otherwise incapable of carrying out his duties;
- (b) has committed an act of bankruptcy as provided in the Bankruptcy Act 1967 [*Act 360*]; or
- (c) has been convicted in Malaysia of an offence and sentenced to imprisonment for a term of not less than twelve months, or of an offence involving fraud, dishonesty, or moral turpitude.

Managing Director and General Managers

3. (1) The Board may, with the concurrence of the Minister, appoint one of the directors to be the Managing Director and one or more other persons, not being directors, to be General Managers, on terms and conditions laid down by the Board with the approval of the Minister given with the concurrence of the Minister of Finance.

(2) The powers, duties, and responsibilities of the Managing Director and the General Managers shall, subject to this Act, be as specified by the Board.

(3) The Managing Director and every General Manager shall be full-time employees of the Bank and shall devote themselves entirely to the service of the Bank and shall be answerable to the Board for their acts and decisions.

Secretary of the Bank

4. (1) The Board shall appoint a Secretary of the Bank on such terms and conditions as may be approved by the Board.

(2) The Secretary shall also serve as secretary to the Board.

Meetings of the Board

5. (1) At any meeting of the Board, the Chairman or, in the absence of the Chairman, a director elected by the directors present at the meeting shall preside.

(2) The Board shall meet as often as necessary but not less frequently than once a month.

(3) The Secretary shall summon a meeting of the Board whenever directed to do so by the Chairman or whenever he receives a request in writing to do so from at least three directors.

(4) Except as provided in subparagraph (5), the Secretary shall cause notice of each meeting of the Board to be served on all directors present in Malaysia at least three clear days before the date of the meeting.

(5) Where a meeting of the Board has to be summoned urgently, then, notwithstanding subparagraph (4), it shall be sufficient if the earliest possible notice is given either in writing or verbally, including by telephone or telegram.

(6) Four members of the Board present at a meeting, including the person presiding, shall constitute a quorum.

(7) If within half an hour from the time appointed for holding a meeting of the Board a quorum is not present, the meeting shall stand adjourned to the following day at the same time and place, and if within fifteen minutes from the time appointed for holding the adjourned meeting a quorum is not present, the directors present shall constitute a quorum.

(8) Except where otherwise provided in this Act, all decisions at a meeting of the Board shall be adopted by a simple majority of votes of the directors present and voting, but if on any question the votes are equally divided, the person presiding shall have a casting vote.

Financial year

6. The financial year of the Bank shall commence on 1 January and end on 31 December.

Disclosure of interest

7. (1) A director who has, directly or indirectly, any interest in any matter or business being or to be discussed or transacted at any meeting of the Board, being an interest that conflicts or is likely to conflict with his duties and functions as a director, shall, at the meeting, disclose the nature of his interest before the matter or business is discussed or transacted or as soon as he is aware of his interest in the matter or business.

(2) A disclosure under subparagraph (1) shall be recorded in the minutes of the meeting.

(3) After the disclosure, the director shall not remain present at the meeting, or qualify for the purpose of quorum, while the matter or business in question is being discussed or transacted, nor shall he take part in the discussion or transaction.

(4) A person who contravenes or fails to comply with subparagraph (1) or (3) shall be guilty of an offence and shall, on conviction, be liable to a fine not

exceeding five thousand ringgit or to imprisonment for a term not exceeding two years or to both.

(5) No act, proceeding, or decision of the Board shall be rendered invalid on the ground of the contravention by a director of subparagraph (1) or (3).

SECOND SCHEDULE

[Subsection 24(2)]

CONSOLIDATED PROFIT AND LOSS ACCOUNT
AND BALANCE-SHEET

1. There shall be annexed to the trading and profit and loss account of the Bank—
 - (a) a consolidated profit and loss account of the Bank and its subsidiaries, eliminating all transactions between the Bank and its subsidiaries and between the subsidiaries themselves; and
 - (b) a separate profit and loss account of each subsidiary of the Bank.
 2. There shall be annexed to the balance-sheet of the Bank—
 - (a) a consolidated balance-sheet of the Bank and its subsidiaries, eliminating all balances between the Bank and its subsidiaries and between the subsidiaries themselves; and
 - (b) a separate balance-sheet of each subsidiary of the Bank.
 3. There shall be clearly stated, by way of note or otherwise, in the profit and loss account and balance-sheet of a subsidiary the name of the subsidiary.
 4. The trading and profit and loss account and balance-sheet of the Bank, the consolidated profit and loss account and the consolidated balance-sheet, and the profit and loss account and balance-sheet of each subsidiary of the Bank shall be accompanied by the auditor's report thereon.
 5. If the auditor's report on the profit and loss account or balance-sheet of a subsidiary of the Bank is qualified in any way, the separate balance-sheet of the subsidiary or the consolidated balance-sheet, as the case may be, shall contain particulars of the manner in which the report is qualified.
 6. There shall be shown under separate headings in the balance-sheet of every subsidiary of the Bank the amounts owed by the subsidiary to the Bank and to any other subsidiary of the Bank, the amounts owned by the Bank or any other subsidiary to the subsidiary, and the extent of the subsidiary's holding of shares in the Bank and in any other subsidiary of the Bank.
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LAWS OF MALAYSIA**ACT 202****BANK KERJASAMA RAKYAT MALAYSIA BERHAD
(SPECIAL PROVISIONS) ACT 1978**

LIST OF AMENDMENTS

Amending law	Short title	In force from
Act A1293	Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) (Amendment) Act 2007	01-01-2008 except paragraph 3(b), s. 4 & 5
Act A1362	Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) (Amendment) Act 2009	01-01-2008
P.U. (A) 123/2014	Bank Kerjasama Rakyat Malaysia Berhad (Amendment of First Schedule) 2014	02-05-2014

LAWS OF MALAYSIA

ACT 202

**BANK KERJASAMA RAKYAT MALAYSIA BERHAD
(SPECIAL PROVISIONS) ACT 1978**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
2	Act A1293	01-01-2008 except paragraph 3(b), s. 4 & 5
	Act A1362	01-01-2008
3	Act A1293	01-01-2008 except paragraph 3(b), s. 4 & 5
	Act A1362	01-01-2008
14	Act A1293	01-01-2008 except paragraph 3(b), s. 4 & 5
First Schedule	Act A1293	01-01-2008 except paragraph 3(b), s. 4 & 5
	P.U (A) 123/2014	02-05-2014
