



# LAWS OF MALAYSIA

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**Act 339**

## **NATIONAL TRUST FUND ACT 1988**

*As at 1 December 2011*

**NATIONAL TRUST FUND ACT 1988**

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**LAWS OF MALAYSIA****Act 339****NATIONAL TRUST FUND ACT 1988**

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**LAWS OF MALAYSIA****Act 339****NATIONAL TRUST FUND ACT 1988**

An Act to establish the National Trust Fund and to provide for the management of that Fund and other matters incidental thereto.

*[19 February 1988]*

**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:

**Short title**

1. This Act may be cited as the National Trust Fund Act 1988.

**Interpretation**

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

“Fund” means the National Trust Fund established under section 3;

“Minister” means the Minister of Finance;

“OECD” means the Organization for Economic Cooperation and Development;

“Panel” means the National Trust Fund Panel established under section 4;

“securities” includes stocks, funds, shares and bonds, and debentures and other instruments creating or evidencing a charge or lien on assets.

### **The National Trust Fund**

**3.** (1) There is hereby established a fund to be known as the National Trust Fund which shall be specified in and incorporated into the Second Schedule to the Financial Procedure Act 1957 [*Act 61*].

(2) The Fund shall be administered by a Panel established under section 4.

(3) The Bank Negara Malaysia shall be responsible for the day to day administration and management of the affairs of the Fund.

### **National Trust Fund Panel**

**4.** (1) There is hereby established a panel of trustees to be known as the National Trust Fund Panel.

(2) The trustees shall be appointed by the Minister and shall consist of—

(a) a Chairman;

(b) a Deputy Chairman who shall be an officer of the Ministry of Finance;

(c) an officer from the Prime Minister’s Department; and

(d) two members with business or financial experience.

(3) The panel shall have such powers and shall perform such duties as are given or imposed by this Act or as may be prescribed from time to time by the Minister and may by instrument in writing delegate to any person all or any of such powers and duties.

(4) There may be paid to each member of the Panel out of the Fund such allowances, including travelling and subsistence allowances, as the Minister may from time to time determine.

(5) Subject to this Act, the Panel shall have powers to make rules and to regulate its proceedings.

(6) All members, officers and servants of the Panel shall be deemed to be public servants within the meaning of the Penal Code [*Act 574*].

### **Moneys required to be paid into the Fund**

**5.** (1) Notwithstanding the relevant provisions of the Financial Procedure Act 1957 there shall be paid from time to time into the Fund—

- (a) moneys from time to time appropriated from the Consolidated Fund to and for the purposes of the Fund;
- (b) such contributions as may be made by Petroleum Nasional Berhad to the Fund;
- (c) such contributions as may be made by any State in Malaysia which derives any form of royalty from the exploitation of petroleum or other depleting resources;
- (d) all moneys from any investments of the Fund;

- (e) all grants, donations, endowments, gifts, contributions and bequests that may be made to or in favour of the Fund; and
- (f) such contributions as may be made by any person or authority whose business includes the research or development of a depleting resource.

(2) Notwithstanding anything to the contrary contained in any written law, any contributions under paragraphs (1) (b) and (f) may be made in each financial year from the profits of the Petroleum Nasional Berhad, any such person or authority.

### **Application of moneys of the Fund**

**6.** Moneys standing to the credit of the Fund may, after the expiry of a period of ten years from the date of the commencement of this Act, and with the prior approval of the Minister, be applied for the following purposes:

- (a) any of the purposes of the Development Fund as specified in the First Schedule to the Development Funds Act 1966 [Act 406]; and
- (b) the granting of loans or advances on concessionary terms to the Federal Government or to the Government of any State in Malaysia.

### **Investment of the moneys of the Fund**

**7.** (1) The Panel may invest moneys standing to the credit of the Fund—

- (a) on deposit in any bank, in or outside Malaysia, in any currency including the ringgit;

- (b) in any of the investments authorized by the Trustee Act 1949 [Act 208] or the \*Trustee Investment Act 1965 [Act 36 of 1965];
- (c) in securities with fixed or variable rates of interest in any currency including the ringgit issued or to be issued by Malaysia, any foreign country which is a member of the OECD, any institution where the securities are fully guaranteed by any country which is a member of the OECD, or any international financial institution:

Provided that the maturity period of any such security which is denominated in a foreign currency shall not exceed ten years;

- (d) in money market instruments, including treasury bills, bankers' acceptances and certificates of deposit in any currency including the ringgit with maturity periods not exceeding one year;
- (e) in loans, on terms remunerative to the Fund, to the Federal Government or the Government of any State in Malaysia;
- (f) in loans, on terms remunerative to the Fund, to any public authority or corporation in which the Federal Government has an interest;
- (g) in advances for the purpose of assisting the exploration and development of minerals and the growing, processing or marketing of any primary produce to—
  - (i) any authority formed under any written law in the Federation; and
  - (ii) any co-operative society engaged in mining, farming, agriculture, horticulture or fishing operations;

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\*NOTE—The Trustee Investment Act 1965 [Act 36 of 1965] has since been consolidated with the Trustee Act 1949 [Act 208].

(h) in precious metals including gold, silver, platinum and palladium; and

(i) as otherwise authorized by the Minister.

(2) In granting any authorization under this section the Minister may impose such terms or conditions as he may consider necessary.

(3) The total investment referred to in paragraphs (1)(f) and (g) shall not at any time exceed twenty percentum of the disposable assets of the Fund.

(4) Investments referred to in paragraph (1)(e) shall not at any time exceed five percentum of the disposable assets of the Fund.

### **Administration fees**

**8.** Any costs, expenses or other payments directly attributable to the administration of the Fund shall be charged to the Fund.

### **Power of Minister in relation to the Panel**

**9.** (1) The Minister may give the Panel such directions of a general nature as are not inconsistent with the provisions of this Act as relate to the exercise and performance of its functions and the Panel shall give effect to all such directions.

(2) The Panel shall furnish the Minister with such returns, accounts and other information with respect to the assets and activities of the Fund as he may from time to time require.

### **Financial year**

**10.** For the purposes of this Act, the financial year of the Fund

Shall commence on 1 January and end on 31 December of each year.

### **Accounts and audit**

**11.** (1) The Panel shall keep or cause to be kept proper accounts and other records in respect of the operation of the Fund and shall prepare statements of accounts in respect of each financial year.

(2) The Panel shall, not later than three months after the end of its financial year, cause the accounts of the Fund to be audited by the Auditor General.

(3) At the end of each financial year and as soon as the accounts of the Fund have been audited, the Panel shall cause a copy of the statement of accounts to be submitted to the Minister, together with a copy of the observations made by the Auditor General on any statement of accounts or on the accounts generally.

### **Annual report**

**12.** The Panel shall, not later than the thirtieth day of April in each year, cause to be made and submitted to the Minister a report dealing with the investments of the Fund during the preceding financial year and containing such information relating to the proceedings and policy of the Panel as the Minister may from time to time direct.

### **Audited accounts and annual reports to be laid before Parliament**

**13.** The Minister shall cause a copy of the annual audited account under section 11 and the annual report under section 12 received by him to be laid before each House of Parliament.

**Power to make regulations**

**14.** The Minister may make regulations for the better carrying out of the provision of this Act.

**Provisions of the Financial Procedure Act 1957 to apply**

**15.** Save as otherwise provided in this Act the Financial Procedure Act 1957 and any regulations made and instructions issued thereunder shall apply to the Fund.

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**LAWS OF MALAYSIA**

**Act 339**

**NATIONAL TRUST FUND ACT 1988**

LIST OF AMENDMENTS

Amending law	Short title	In force from
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– NIL –

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LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
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– NIL –

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