



LAWS OF MALAYSIA

REPRINT

Act 383

PUBLIC AUTHORITIES (CONTROL OF BORROWING POWERS) ACT 1961

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

**PUBLIC AUTHORITIES
(CONTROL OF BORROWING POWERS)
ACT 1961**

First enacted 1961 (Act No. 2 of
1961)

Revised 1989 (Act 383 w.e.f.
21 September 1989)

PREVIOUS REPRINT

First Reprint 2001

LAWS OF MALAYSIA**Act 383****PUBLIC AUTHORITIES
(CONTROL OF BORROWING POWERS)
ACT 1961**

ARRANGEMENT OF SECTIONS

Section

1. Short title and application
2. Interpretation
3. Restriction on borrowing
4. Contracts, *etc.*, contravening section 3 to be void
5. Amendment of Schedule

SCHEDULE

LAWS OF MALAYSIA**Act 383****PUBLIC AUTHORITIES (CONTROL OF BORROWING
POWERS) ACT 1961**

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

[14 January 1961]

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 and application

1. (1) This Act may be cited as the Public Authorities (Control of Borrowing Powers) Act 1961.

(2) This Act shall apply to the States of Peninsular Malaysia only.

Interpretation

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

“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;

“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 section 6 or 7 of the Delegation of Powers Act 1956 [*Act 358*], is authorized to exercise, powers under this Act.

Restriction on borrowing

3. Notwithstanding 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 Yang di-Pertua Negeri of such State, impose such terms and conditions thereunder as it may think fit.

Contracts, etc., contravening section 3 to be void

4. Any contract, guarantee or undertaking entered into by any public authority in contravention 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.

Amendment of Schedule

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 Yang di-Pertua Negeri of such State, by order published in the *Gazette* add to, delete or amend the Schedule.

SCHEDULE

[Sections 2 and 5]

1. The Municipal Council of Penang Island.
 - *2. Malacca Historical City Municipal Council.
 - **3. The Municipal Council of Kota Setar.
 4. The Municipal Council of Sungai Petani.
 5. The Municipal Council of Klang.
 - ***6. The Municipal Council of Province Wellesley.
 7. The Commissioner of the City of Kuala Lumpur.
-

* NOTE—The Malacca Historical City Municipal Council is now known as the Malacca Historic City Council—see the Malacca Historic City Council Enactment 2003 [*Malacca Enactment No. 2 of 2003*].

** NOTE—The Municipal Council of Kota Setar is now known as the Alor Star City Council—see the Notification Under Section 4 of the Local Government Act 1976 [*K. P.U. 9/2003*].

*** NOTE—The Municipal Council of Province Wellesley is now known as the Seberang Perai Municipal Council—see the Local Government Act 1976 [*Act 171*].

LAWS OF MALAYSIA**Act 383****PUBLIC AUTHORITIES (CONTROL OF BORROWING
POWERS) ACT 1961**

LIST OF AMENDMENTS

| Amending law | Short title | In force from |
|---------------|-------------------------------|---------------|
| L.N. 98/1962 | Public Authorities Order 1962 | 29-03-1962 |
| L.N. 329/1963 | Public Authorities Order 1963 | 12-12-1963 |

LAWS OF MALAYSIA**Act 383****PUBLIC AUTHORITIES (CONTROL OF BORROWING
POWERS) ACT 1961**

LIST OF SECTIONS AMENDED

| Section | Amending authority | In force from |
|----------|--------------------|---------------|
| Schedule | L.N. 98/1962 | 29-03-1962 |
| | L.N. 329/1963 | 12-02-1963 |

