



LAWS OF MALAYSIA

REPRINT

Act 408

NATIONAL PRODUCTIVITY CORPORATION (INCORPORATION) ACT 1966

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**NATIONAL PRODUCTIVITY CORPORATION
(INCORPORATION) ACT 1966**

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LAWS OF MALAYSIA**Act 408****NATIONAL PRODUCTIVITY CORPORATION
(INCORPORATION) ACT 1966**

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SCHEDULE

LAWS OF MALAYSIA**Act 408****NATIONAL PRODUCTIVITY CORPORATION
(INCORPORATION) ACT 1966**

An Act to establish a body corporate to be called the National Productivity Corporation and to provide for matters connected therewith.

[1 March 1966]

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 National Productivity Corporation (Incorporation) Act 1966.

(2) This Act shall apply throughout Malaysia.

Interpretation

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

“Corporation” means the National Productivity Corporation established under subsection 3(1);

“Director General” means the executive officer appointed under subsection 5(1);

“Minister” means the Minister charged with the responsibility for industrial development.

Establishment of the Corporation

3. (1) There is hereby established a body corporate which shall be known by the name of The National Productivity Corporation with perpetual succession and a common seal, and power to acquire and hold movable or immovable property and dispose thereof or otherwise deal therewith.

(2) The Schedule to this Act shall have effect with respect to the Corporation.

(3) The Corporation shall consist of the following members:

- (a) Chairman;
- (b) the Director General;
- (c) a representative of the Ministry of International Trade and Industry who shall be the Deputy Chairman;
- (d) a representative of the Economic Planning Unit of the Prime Minister's Department;
- (e) a representative of the Ministry of Human Resources;
- (f) a representative of the Treasury;
- (g) a representative of the Ministry of Agriculture;
- (h) a representative of an institution of higher learning;
- (i) at least three but not more than seven representatives from the private sector;
- (j) a representative from the association of employers; and
- (k) a representative from any association representing employees.

(4) The members mentioned in subsection (3) other than the Director General shall be appointed by the Minister.

(5) The members mentioned in subsection (3) may elect from amongst themselves a temporary Chairman to preside over any meetings of the Corporation during the temporary incapacity from illness, or temporary absence from Malaysia, of the Chairman and Deputy Chairman.

(6) A member of the Corporation, other than the Director General, shall, unless his appointment is sooner resigned or revoked, hold office for such period not exceeding three years as may be specified in the instrument appointing him, and shall be eligible for reappointment.

Alternate members

3A. (1) The Minister shall, in respect of each member of the Corporation specified in paragraphs 3(3)(c) to (g), appoint one person from the same Ministry or department as that member to be an alternate member to attend, in place of the member, meetings of the Corporation that the member is for any reason unable to attend.

(2) When attending meetings of the Corporation, an alternate member shall for all purposes be deemed to be a member of the Corporation.

(3) An alternate member shall, unless he sooner resigns his membership, or his appointment is sooner revoked, cease to be an alternate member when the member for whom he is an alternate member ceases to be a member.

Terms of appointment of Chairman and members

4. (1) The Chairman of the Corporation shall be appointed upon such terms and conditions as the Minister may determine.

(2) There may be paid to the members of the Corporation such fees and allowances as the Minister may determine.

Appointment of Board of Management and other officers

5. (1) The Corporation—

(a) shall, with the approval of the Minister, appoint an executive officer who shall be the Director General;

(b) may appoint such other officers as may be necessary on such terms and conditions as it thinks fit,

to the Board of Management which shall be responsible for the day to day administration and management of the affairs of the Corporation and which shall perform such duties and exercise such powers as may be delegated to it by the Corporation.

(1A) The Corporation may appoint, on such terms and conditions as it thinks fit, such other officers and servants as it may consider necessary for carrying out the purposes of this Act.

(2) The Corporation may with the approval of the Minister make rules—

- (a) for or in respect of the salaries, allowances and conditions of service of its officers and servants generally;
- (b) for the establishment and management of a contributory provident fund for the Director General and the officers and servants appointed under this section;
- (c) for the payment of pensions, allowances or gratuities to the Director General, officers and servants on retirement or otherwise ceasing to hold office as such Director General, officers or servants;
- (d) for the making of loans to officers and servants for the purchase of bicycles, motorcycles and motor cars and for any other purpose approved by the Minister;
- (e) for the discipline of the officers and servants which may include—
 - (i) provisions for the interdiction with reduction in salary or in other remuneration, or for the suspension without salary or other remuneration, of an officer or servant during the pendency of disciplinary proceedings;
 - (ii) the creating of such disciplinary offences and providing for such disciplinary punishments as the Corporation may deem appropriate, and the punishments so provided may extend to dismissal or reduction in rank; and
 - (iii) the procedure for disciplinary proceedings, which should provide an opportunity for representations to be made by an officer or servant against whom disciplinary proceedings are taken before a decision is arrived at by the disciplinary authority on the disciplinary charge to be laid against such officer or servant.

Discipline of officers and servants

5A. (1) There shall be a Disciplinary Committee of the Corporation which shall consist of—

- (a) two members to be elected by and from the members of the Corporation, one of whom shall be elected chairman; and
- (b) the Director General appointed under subsection 5(1).

(2) The disciplinary authority in respect of every officer and servant of the Corporation other than the Director General shall be the Disciplinary Committee of the Corporation established under subsection (1).

(3) The Disciplinary Committee in respect of the Director General shall consist of the Chairman of the Corporation as chairman and two members to be elected by and from the members of the Corporation.

(4) The Director General shall not be a member of the Disciplinary Committee in any proceedings before it in which he is the complainant; his place shall be taken by a member to be elected by and from the members of the Corporation.

(5) In the exercise of its disciplinary functions, the Disciplinary Committee shall have the power to impose such disciplinary punishment as may be provided for under any rules that may be made under section 5.

(6) The Disciplinary Committee may, subject to subsection (7), delegate any of its disciplinary functions, powers or duties to any committee of officers or servants of the Corporation, in respect of any particular officer or servant of the Corporation, or in respect of any class or category of officers or servants of the Corporation, and the committee delegated with such functions, powers or duties shall carry out, exercise or discharge them under the direction and control of the Disciplinary Committee which shall have the power to review, rescind or vary any decision or finding of such committee.

(7) No delegation shall be made under subsection (6) so as to enable an officer or servant of the Corporation to be a member of a committee which may exercise any disciplinary authority over an officer or servant who is superior to him in rank.

(8) Any officer or servant of the Corporation who is dissatisfied with the decision of the Disciplinary Committee or of any committee delegated with functions, powers or duties under subsection (6) may, within fourteen days, appeal in writing against such decision to the Corporation which may thereupon affirm, reverse or give such directions on the matter as it deems fit and proper.

(9) The decision of the Corporation upon such appeal shall be final.

Corporation may appoint committees

5b. (1) The Corporation may appoint committees for any purpose arising out of or connected with any of its powers, duties and functions under this Act; any committee so appointed shall include not less than one member of the Corporation and there may be appointed to such committee such other persons as the Corporation may think fit.

(2) The committee so appointed shall regulate its own procedure.

(3) Any committee so appointed shall conform to any instructions from time to time given to it by the Corporation, and the Corporation may at any time discontinue or alter the constitution of any committee so appointed.

(4) There may be paid to members of any committee such remuneration or allowances as the Corporation may from time to time determine with the approval of the Minister.

(5) The committee may invite any person who, in its opinion, is possessed of special knowledge of advantage to it, to attend any meeting of the committee and the person so invited shall not be entitled to vote at any such meeting.

(6) The committee shall report its recommendations to the Corporation.

Imposition of surcharge

5c. If it appears to the Corporation that any person who is or was in the employment of the Corporation—

(a) has failed to collect moneys owing to the Corporation for the collection of which he is or was responsible;

- (b) is or was responsible for any improper payment of moneys from the Corporation or for any payment of such moneys which is not duly vouched;
- (c) is or was responsible for any deficiency in, or for the destruction of, any moneys, stamps, securities, stores or other property of the Corporation;
- (d) being or having been an accounting officer, fails or has failed to keep proper accounts or records; or
- (e) has failed to make any payment, or is or was responsible for any delay in the payment, of moneys from the Corporation to any person to whom such payment is due under any contract, agreement or arrangement entered into between that person and the Corporation,

and if a satisfactory explanation is not, within a period specified by the Corporation, furnished to the Corporation with regard to the failure to collect, improper payment, payment not duly vouched, deficiency or destruction, or failure to keep proper accounts or records, or failure to make payment, or delay in making payment, the Corporation may surcharge against the said person a sum not exceeding the amount of any such amount not collected, such payment, deficiency, or loss or the value of the property destroyed, as the case may be; and with regard to the failure to keep proper accounts or records, or the failure to make payment, or the delay in making payment, the Corporation may surcharge against the said person such sum as the Corporation may think fit.

Notification of surcharge

5D. The Corporation shall cause the Director General to be notified of any surcharge made under section 5C and the Director General shall thereupon notify the person surcharged.

Withdrawal of surcharge

5E. The Corporation may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and the Corporation shall at once cause the Director General to be notified of such withdrawal.

Recovery of surcharge

5F. The amount of any surcharge imposed under section 5C and not withdrawn under section 5E shall be a debt due to the Corporation from the person against whom the surcharge is imposed and may be sued for and recovered in any court at the suit of the Corporation and may also be recovered by deduction—

- (a) from the salary of the person surcharged if the Corporation so directs; or
- (b) from the pension of the person surcharged if the Corporation so directs,

by equal monthly instalments not exceeding one-fourth of the total monthly salary or pension, as the case may be, of the person.

Direction on policy by the Minister

6. The Minister may give to the Corporation directions of a general nature, not inconsistent with this Act, as to the exercise of the functions of the Corporation; and such directions shall be binding on the Corporation.

Functions of the Corporation

- 7.** The functions of the Corporation shall be—
- (a) to lead in the promotion and dissemination of productivity related information and issues;
 - (b) to establish an information and reference centre for productivity indices for the country and for management systems and case studies;
 - (c) to generate local expertise in the field of productivity, quality, management and entrepreneurship;
 - (d) to enhance the development of human resources both at the supervisory and management levels in the country;
 - (e) to advise on and coordinate the implementation of programmes and activities related to productivity and quality;

- (f) to assess and certify supervisory and management training programmes, entrepreneurship programmes, and productivity and quality management programmes conducted by the private sector for the public;
- (g) to conduct training or other programmes relating to productivity, quality, management and entrepreneurship;
- (h) to provide consultancy services relating to productivity, quality, management and entrepreneurship;
- (i) to collect, produce and publish information on productivity, quality, management, entrepreneurship and other related subject matters;
- (j) to carry on business undertakings for the purpose of the discharge of its functions under this Act with the approval of the Minister;
- (k) to report annually to the Minister on the progress and problems of raising productivity in commerce and industry in the country and to make recommendations on the manner in which such problems may be dealt with; and
- (l) to do all such matters and things as may be incidental to or consequential upon the discharge of its functions under this Act.

Power to employ agents

7A. The Corporation may employ and pay agents and technical advisers, including advocates and solicitors, bankers or other persons, to transact any business or to do any act required to be transacted or done in the execution of its duties or for the better carrying into effect of the purposes of this Act.

Consultative panels

7B. (1) The Minister may from time to time establish one or more consultative panels.

(2) It shall be the function of a consultative panel established under subsection (1) to advise the Corporation on any matters referred to it by the Corporation relating to the functions of the Corporation.

(3) A consultative panel established under subsection (1) shall consist of—

- (a) at least three but not more than seven members from the public sector;
- (b) at least three but not more than ten members from the private sector;
- (c) at least one but not more than five members from institutions of higher learning; and
- (d) at least one but not more than five members from associations representing employees.

(4) The Minister may, in addition to the members specified in subsection (3), appoint any other member or members from amongst persons who are possessed of special knowledge in specified fields.

Power to transfer or dispose of activity, duty or function

7c. (1) The Corporation may transfer or dispose of any of its activity, duty or function to any person or body subject to such terms and conditions as it may impose.

(2) The Corporation may make rules to regulate the activities of such person or body and prescribe the rates and charges that may be fixed by such person or body in respect of the activity, duty or function of such person or body under subsection (1).

Borrowing powers

8. The Corporation may upon the terms and conditions approved by the Minister of Finance borrow such sums as it may require for carrying out any of its functions under this Act.

Fees

9. The Corporation may charge such fees, commissions or any other consideration as it deems fit for training courses, lectures, consultations or investigations or other services provided or carried out by it.

Establishment of the Fund

10. (1) For the purposes of this Act there is hereby established a National Productivity Corporation Fund (hereinafter referred to as the “Fund”) and controlled by the Corporation.

(2) The Fund shall consist of—

- (a) such sums as may be provided from time to time for the purposes of the Corporation by Parliament;
- (b) such sums as may be allocated from time to time to the Corporation from loan funds;
- (c) all sums from time to time received by or falling due to the Corporation in respect of the repayment of any loan made by the Corporation to its officers and servants in accordance with rules made under paragraph 5(2)(d) and the interest payable in respect of any such loan;
- (d) moneys earned by the operation of any project, scheme or enterprise financed from the Fund and any fees received by the Corporation by virtue of section 9;
- (e) moneys earned or arising from any property, investments, mortgages, charges or debentures acquired by or vested in the Corporation;
- (f) any property, investments, mortgages, charges or debentures acquired by or vested in the Corporation;
- (g) sums borrowed by the Corporation for the purpose of meeting any of its obligations or discharging any of its duties;
- (h) any voluntary gift or donation to the Corporation; and
- (i) all other sums or property which may in any manner become payable to or vested in the Corporation in respect of any matter incidental to its powers and duties.

(3) In this section the expression “loan funds” means such sums as may be made available from time to time to the Government by way of loan.

Duties of the Corporation to conserve the Fund

11. It shall be the duty of the Corporation to conserve the Fund by so exercising and performing its functions and duties under this Act as to secure that the total revenues of the Corporation are sufficient to meet all sums properly chargeable to its revenue account.

Expenses to be paid from the Fund

12. Subject to section 11 the Corporation may apply the Fund—

- (a) for the payment of any expenses lawfully incurred by it and the remuneration of any officer or servant employed by the Corporation, including superannuation allowances, pensions or gratuities;
- (b) for the payment of any charges on any amount which may be allocated to the Corporation from loan funds;
- (c) for the making of loans to officers and servants of the Corporation for the purchase of bicycles, motorcycles and motor cars and for any other purpose approved by the Minister;
- (d) for the payment of any other expenses, cost or expenditure properly incurred or accepted by it in the exercise of the powers conferred on the Corporation by this Act.

Deposit and investment of the Fund

13. The Fund may be placed on deposit with a bank in Malaysia holding a valid licence under the Banking and Financial Institutions Act 1989 [Act 372], or invested in the securities of the Government of Malaysia or such other securities as may be approved in writing by the Minister of Finance.

Expenditure and preparation of estimates

14. (1) The expenses of the Corporation shall be defrayed out of moneys in the Fund in accordance with such estimates as may be authorized in subsection (2).

(2) Before the beginning of September of each year the Corporation shall submit to the Minister an estimate of the revenue and expenditure (including those for development projects) for the following year in

such form and containing such particulars as the Minister may require; and the Minister shall before the beginning of November of each year notify the Corporation of the amount authorized for expenditure generally or of the amounts authorized for each description of expenditure.

(3) The Corporation may at any time submit to the Minister a supplementary estimate for any one year and the Minister may allow the whole or any part of the additional expenditure included therein.

Statutory Bodies (Accounts and Annual Reports) Act 1980 to apply

14A. The Statutory Bodies (Accounts and Annual Reports) Act 1980 [*Act 240*] shall apply to the Corporation.

Accounts and audit

15. (1) The Corporation shall keep proper accounts and other records in respect of its operation and shall prepare statements of accounts in respect of each financial year.

(2) The accounts of the Corporation shall be audited annually by the Auditor General or other auditor appointed by the Corporation with the approval of the Minister.

(3) After the end of each financial year, and as soon as the accounts of the Corporation have been audited, the Corporation shall cause a copy of the statement of accounts to be transmitted to the Minister, together with a copy of any observations made by the Auditor General or other auditor appointed under subsection (2) on any statement or on the accounts of the Corporation.

(4) The Minister shall cause a copy of every such statement and observations to be laid on the table of each House of Parliament.

Annual report

16. (1) The Corporation shall, not later than 31st day of March of each year, cause to be made and transmitted to the Minister a report dealing with the activities of the Corporation during the preceding year and containing such information relating to the proceedings and policy of the Corporation as the Minister may from time to time require.

(2) The Minister shall cause a copy of every such report to be laid on the table of each House of Parliament.

Application of Penal Code and obligation of secrecy

17. (1) All members, officers and servants of the Corporation, while in the discharge of their functions as such, shall be deemed to be public servants within the meaning of the Penal Code [*Act 574*].

(2) Except for the purposes of this Act or of any criminal proceedings under this Act, no member or officer or servant of the Corporation shall disclose any information with respect to any individual business, which has been obtained by him in the course of his duties and which is not published in pursuance of this Act; and a person contravening this subsection shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one thousand ringgit or to both.

Regulations

18. The Minister may make such regulations as he thinks necessary or expedient for the better carrying into effect of the purposes and provisions of this Act.

Power of Minister to amend the Schedule

19. The Minister may, by order in the *Gazette*, amend, add to or vary the Schedule to this Act.

SCHEDULE

[Subsection 3(2)]

1. (1) The following persons shall be disqualified from being appointed or being members of the Corporation:

- (a) a person who is of unsound mind or is otherwise incapable of performing his duties;
- (b) a bankrupt;
- (c) a person who has been convicted of an offence and sentenced to imprisonment for a term of not less than one year.

(2) A member of the Corporation shall vacate his office if he fails to attend three consecutive meetings of the Corporation without the permission in writing of the Chairman or if he becomes disqualified under subparagraph (1).

2. (1) The quorum of the Corporation shall be six.

(2) If on any question to be determined by the Corporation there is an equality of votes, the Chairman or other member acting as Chairman shall have a casting vote.

(3) Subject to subparagraphs (1) and (2), the Corporation shall determine its own procedure.

(4) *(Deleted by P.U. (A) 411/1995).*

2A. (1) The Corporation shall have a common seal which shall bear such device as the Corporation shall approve and such seal may from time to time be broken, changed, altered or made new as the Corporation may think fit.

(2) The common seal shall be kept in the custody of the Chairman or any officer authorized in writing by the Corporation.

(3) The common seal of the Corporation shall be authenticated either by the Chairman and one other member of the Corporation, or by the Chairman and the Secretary of the Corporation, or by any officer authorized in writing by the Corporation; and all deeds, documents and other instruments purporting to be sealed with the said seal, authenticated as aforesaid, shall until the contrary is proven, be deemed to have been validly executed:

Provided that any document or instrument which if executed by a person not being a body corporate would not be required to be under seal may in like manner be executed by the Corporation; and any such document or instrument may be executed on behalf of the Corporation by an officer or servant of the Corporation generally or specially authorized by the Corporation in that behalf.

(4) The common seal of the Corporation shall be officially and judicially noticed.

3. A member of the Corporation whether directly or indirectly by himself or his partner, having any interest—

- (a) in any company or undertaking with which the Corporation proposes to make any contract; or
- (b) in any such contract or in any matter under discussion by the Corporation,

shall disclose to the Corporation the fact of his interest and the nature thereof, and such disclosure shall be recorded in the minutes of the meetings of the Corporation and the member shall withdraw from any deliberation or decision of the Corporation relating to the contract or matter.

4. (1) The Corporation shall cause minutes of all of its meetings to be maintained and kept in a proper form.

(2) Any minutes made of meetings of the Corporation shall, if duly signed, be admissible in evidence in all legal proceedings without further proof and every meeting of the Corporation in respect of the proceedings of which minutes have been so made shall be deemed to have been duly convened and held and all members thereat to have been duly qualified to act.

5. No act done or proceeding taken under this Act shall be questioned on the ground of—

- (a) any vacancy in the membership of, or any defect in the establishment of the Corporation;
 - (b) the contravention by any member of the Corporation of paragraph 3; or
 - (c) any omissions, defect or irregularity not affecting the merits of the case.
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LAWS OF MALAYSIA**Act 408****NATIONAL PRODUCTIVITY CORPORATION
(INCORPORATION) ACT 1966**

LIST OF AMENDMENTS

Amending law	Short title	In force from
Act A305	National Productivity Council (Incorporation) (Amendment) Act 1975	30-05-1975
Act 160	Malaysian Currency (Ringgit) Act 1975	29-08-1975
Act A801	National Productivity Council (Incorporation) (Amendment) Act 1991	01-12-1991
Act A915	National Productivity Corporation (Incorporation) (Amendment) Act 1995	17-02-1995
P.U. (A) 411/1995	National Productivity Corporation (Incorporation) (Amendment of Schedule) Order 1995	24-11-1995

LAWS OF MALAYSIA

Act 408

NATIONAL PRODUCTIVITY CORPORATION (INCORPORATION) ACT 1966

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
2	Act A305 Act A801	30-05-1975 01-12-1991
3	Act A305 Act A801	30-05-1975 01-12-1991
3A	Act A801	01-12-1991
5	Act A801	01-12-1991
5A	Act A801	01-12-1991
5B	Act A801	01-12-1991
5C	Act A915	17-02-1995
5D	Act A915	17-02-1995
5E	Act A915	17-02-1995
5F	Act A915	17-02-1995
7	Act A305 Act A801	30-05-1975 01-12-1991
7A	Act A801	01-12-1991
7B	Act A801	01-12-1991
7C	Act A915	17-02-1995
9	Act A801	01-12-1991
10	Act A801	01-12-1991
14	Act A801	01-12-1991
14A	Act A801	01-12-1991

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Section	Amending authority	In force from
17	Act 160 Act A801	29-08-1975 01-12-1991
19	Act A915	17-02-1995
Schedule	P.U. (A) 411/1995	24-11-1995
