



LAWS OF MALAYSIA

REPRINT

Act 412

LOAN GUARANTEE ACT 1963

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

LOAN GUARANTEE ACT 1963

First enacted	1963 (Act No. 14 of 1963)
Revised	1989 (Act 412 w.e.f 28 December 1989)

PREVIOUS REPRINT

First Reprint 2001

LAWS OF MALAYSIA**Act 412****LOAN GUARANTEE ACT 1963**

ARRANGEMENT OF SECTIONS

Section

1. Short title and application
2. Application of the Loans (International Bank) Act 1958
3. Ratification of Agreement of Guarantee
4. Extension to other companies

LAWS OF MALAYSIA**Act 412****LOAN GUARANTEE ACT 1963**

An Act to provide for the application of certain provisions of the Loans (International Bank) Act 1958, to a guarantee by Malaysia of a loan by the International Bank for Reconstruction and Development to Malaysian Industrial Development Finance Limited and for matters connected therewith.

*[Peninsular Malaysia—11 April 1963;
Sabah and Sarawak—8 October 1964]*

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 Loan Guarantee Act 1963.
- (2) This Act shall apply throughout Malaysia.

Application of the Loans (International Bank) Act 1958

2. (1) The following provisions of the Loans (International Bank) Act 1958 [*Act 411*], namely—
 - (a) section 7 (which authorizes the Government to give guarantees and undertakings with respect to borrowings by statutory authorities from the International Bank for Reconstruction and Development); and
 - (b) so far as they relate to guarantees and undertakings by the Government, sections 11 and 12 (which contain supplementary provisions for the implementation, among other things, of any such guarantee or undertaking), save that for the words “1950” in subsection 12(5), there shall be substituted therefor the words “1960”,

shall apply in relation to any borrowing from that Bank by the company called Malaysian Industrial Development Finance Limited as if the company were a statutory authority within the meaning of that Act, and the borrowing were made under subsection 5(1) of the Act.

(2) If any sum is paid out of the Consolidated Fund in respect of any liability incurred by the Government by virtue of subsection (1), the Minister shall as soon as possible after the end of each financial year beginning with that in which the sum was paid and ending with that in which all liability in respect thereof and any interest payable thereon is finally discharged by the company, lay before the Dewan Rakyat a statement relating thereto.

(3) The said paragraphs 12(2)(a) and (b) (which provides for exemptions from taxation and from exchange control) shall also apply in relation to any agreement concluded, whether before or after the passing of this Act, with the Bank by the company, with the approval of the Government, in respect of any borrowing by the company from the Bank, and to any bond, promissory note or instrument issued by the company pursuant to any such agreement, as they apply to the agreements and instruments there mentioned.

Ratification of Agreement of Guarantee

3. The agreement of guarantee heretofore concluded between the Government in the name of the Federation of Malaysia and the Bank is hereby ratified and validated in all respects and shall have effect for all purposes as if this Act had been in force on such date and the said agreement had been duly concluded and executed in exercise of the powers conferred by or under this Act.

Extension to other companies

4. If a resolution be passed by the Dewan Rakyat that section 2 of this Act shall apply to any company, as they apply to the Malaysian Industrial Development Finance Limited, then the Minister may, by Order to be published in the *Gazette*, declare that the said provision shall apply to that company.

LAWS OF MALAYSIA**Act 412****LOAN GUARANTEE ACT 1963**

LIST OF AMENDMENTS

Amending law

Short title

In force from

– NIL –

LAWS OF MALAYSIA**Act 412****LOAN GUARANTEE ACT 1963**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
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– NIL –

