



LAWS OF MALAYSIA

REPRINT

Act 650

LOAN (LOCAL) ACT 1961

Incorporating all amendments up to 30 March 2006

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2006

LOAN (LOCAL) ACT 1961

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|---------------|--------|------------------------------------|
| First enacted | | 1961 (Act No. 18 of 1961) |
| Revised | | 2006 (Act 650 w.e.f 30 March 2006) |

LAWS OF MALAYSIA

Act 650

LOAN (LOCAL) ACT 1961

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LAWS OF MALAYSIA**Act 650****LOAN (LOCAL) ACT 1961**

An Act to authorize a sum not exceeding one hundred million ringgit at any one time to be raised in Malaysia by way of loan.

*[Peninsular Malaysia—25 May 1961;
Sabah and Sarawak—20 May 1965]*

PART I**PRELIMINARY****Short title**

1. This Act may be cited as the Loan (Local) Act 1961.

Interpretation

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

“advance deposit” means such deposits as are received under subsection 14 (1);

“Bank” means the Central Bank of Malaysia;

“Governor” means the Governor of the Bank;

“Minister” means the Minister for the time being charged with responsibility for finance.

PART II

AUTHORIZATION AND APPLICATION OF LOAN

Power to raise loan

3. (1) The Minister may from time to time raise, by the issue of stock in the manner provided in this Act, such sums of moneys as he may determine, provided that the total amount of such stock issued and not redeemed shall not exceed the sum of one hundred million ringgit at any one time.

(2) The loan hereby authorized shall be raised in Malaysia by the issue of registered stock under Part III.

(3) All stock issued under this Act shall be redeemable within a period not exceeding five years from the date of issue.

Application of loan

4. The moneys received for stock issued under this Act shall be applied, and are hereby appropriated, to the following purposes:

- (a) meeting the expenses relating to the issue of stock or arising from the acceptance of advance deposits under Part V;
- (b) payment, with the prior approval of the Dewan Rakyat signified by resolution, into the Development Fund specified in the Second Schedule to the Financial Procedure Act 1957 [*Act 61*], for the purposes of such fund; and
- (c) redemption of stock issued under this Act, to such extent as the Minister may determine.

Charge of principal and interest

5. The principal moneys and interest represented by stock issued under this Act are charged upon and shall be payable out of the Consolidated Fund.

PART III

PROVISIONS APPLICABLE TO ISSUE AND REGISTRATION
OF STOCK

Issue and form of stock

6. (1) Stock issued under this Act shall be issued on behalf of the Minister by the Bank, upon such terms as may be approved by the Minister, and shall be authenticated either by the signature of the Governor, or by a facsimile of such signature, or in such manner as may be approved by the Governor.

(2) Stock issued under this Act shall be in such form as the Governor may from time to time approve.

Refusal of application

7. Any application to take up stock issued under this Act may be refused by the Governor without reason assigned.

Register of Stock

8. (1) All stock issued under this Act shall be entered in a register to be kept for the purpose by the Bank in such form as may from time to time be approved by the Governor.

(2) All stock issued under this Act, and the right to receive the principal moneys and interest represented thereby, shall be transferable by an instrument of transfer registered by the Bank.

(3) No stock issued under this Act shall be registered except in the name of an individual person or persons or of a corporation.

Payment of interest

9. (1) The interest upon the principal moneys represented by stock issued under this Act shall be paid half-yearly at the office of the Bank.

(2) The Minister shall, in each half-yearly period ending with the day on which interest on stock issued under this Act falls due, appropriate out of the Consolidated Fund a sum equal to one-half year's interest on the whole of the stock so issued in order that the interest for such half year may be paid from it.

Fee payable to the Bank

10. The Minister may fix such fee as he considers reasonable for the performance by the Bank of any powers or duties conferred or imposed under this Act, and the fee so fixed is charged on and appropriated out of the Consolidated Fund.

PART IV

PROVISIONS RELATING TO REDEMPTION OF STOCK

Redemption of stock

11. Stock issued under this Act shall be redeemable at par on such dates as may be specified in the prospectus, after which dates all the interest on the principal moneys represented thereby shall cease and determine, whether payment of such principal moneys shall have been demanded or not.

Repayment of stock

12. The repayment of all principal moneys represented by stock issued under this Act at the time when the same become due shall be made by the Minister out of the Consolidated Fund.

Delivery up of stock on repayment

13. Before the repayment of the principal moneys represented by any stock issued under this Act, such stock shall be delivered up for cancellation to the Bank.

PART V

GENERAL

Acceptance of advance deposits

14. (1) In anticipation of the raising of any loan under the authority of this Act the Minister may, if he thinks fit, authorize acceptance by the Bank on behalf of the Federation of deposits not exceeding the amount of such loan.

(2) Advance deposits shall be applied to the purchase of stock of the first loan issued under this Act after the date on which such deposits were received by the Bank, unless a depositor gives notice in writing within seven days after the date of issue of such loan that he wishes advance deposits or part of it made by him to be repaid.

(3) Whenever a depositor gives notice that he wishes the whole or part of the advance deposits made by him to be repaid, such deposits or part of it made by such depositor shall be repaid immediately, but no interest shall be payable on it.

(4) Advance deposits which are applied to the purchase of stock in accordance with subsection (2) shall carry interest at the rate applicable to such stock calculated from the date the deposit was received by the Bank, and such interest shall be charged on the Consolidated Fund and appropriated from it.

(5) Any power to invest conferred on a person by any instrument or written law shall include the power to make advance deposits in accordance with this section.

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LIST OF AMENDMENTS

| Amending law | Short title | In force from |
|----------------|--|---------------|
| Act 31 of 1963 | Loan (Advance Deposits) Act 1963 | 12-09-1963 |
| Act 160 | Malaysian Currency (Ringgit) Act 1975 | 29-08-1975 |

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LIST OF SECTIONS AMENDED

| Section | Amending authority | In force from |
|---------|-------------------------------------|---------------|
| 14 | Loan (Advance Deposits) Act 1963 | 12-09-1963 |
