



# LAWS OF MALAYSIA

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ONLINE VERSION OF UPDATED  
TEXT OF REPRINT

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**Act 437**

## **CO-OPERATIVE INSTITUTE (INCORPORATION) ACT 1968**

*As at 1 June 2019*

**CO-OPERATIVE INSTITUTE (INCORPORATION)  
ACT 1968**

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Revised	...	...	...	...	...	1990 (Act 437 w.e.f. 31 March 1990)
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*PREVIOUS REPRINTS*

<i>First Reprint</i>	...	...	...	...	...	2001
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# LAWS OF MALAYSIA

## Act 437

### CO-OPERATIVE INSTITUTE (INCORPORATION) ACT 1968

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SCHEDULE

**LAWS OF MALAYSIA****Act 437****CO-OPERATIVE INSTITUTE (INCORPORATION)  
ACT 1968**

An Act to incorporate the Co-operative Institute of Malaysia, for the purpose of developing and promoting co-operative training and education and to provide for matters connected therewith.

*[1 November 1968, P.U. 422/1968]*

**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 Co-operative Institute (Incorporation) Act 1968.
- (2) This Act shall apply throughout Malaysia.

**Interpretation**

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

“Board” means the Board of the Co-operative Institute of Malaysia established under section 4B;

“Institute” means the Co-operative Institute of Malaysia established under section 3;

“Contributory Provident Fund” means the Contributory Provident Fund established under section 7B;

“Director General” means the Director General of the Institute appointed under subsection 4L(1);

“financial year” means the period from the first day of January to the thirty-first day of December in a year;

“Minister” means the Minister charged with the responsibility for co-operative development;

“Reserve Fund” means the Reserve Fund established under section 7A.

### **Establishment of the Co-operative Institute of Malaysia**

**3.** (1) A body corporate by the name of “Co-operative Institute of Malaysia” or, in the national language, “Institut Koperasi Malaysia” is established.

(2) The Institute shall have perpetual succession and a common seal.

(3) The Institute may sue and be sued in its name.

(4) Subject to and for the purposes of this Act, the Institute may, upon such terms as it deems fit—

(a) enter into contracts;

(b) acquire, purchase, take, hold and enjoy movable and immovable property which may become vested in it by purchase, or by any exchange, grant, donation, lease, testamentary disposition or otherwise;

(c) convey, assign, surrender, yield up, charge, sell, mortgage, lease, exchange, reassign, transfer, or otherwise dispose of, or deal with, any movable or immovable property of any description or any interest therein vested in the Institute upon such terms as it deems fit; and;

- (d) exercise, perform and discharge, in accordance with the provisions of this Act, all powers, functions and duties conferred, provided or imposed upon the Institute by such provisions.

### **Functions of the Institute**

4. The functions of the Institute are as follows:

- (a) to provide a course in co-operative studies and such other courses of study and make such award of diplomas therefore as the Institute deems fit;
- (b) to print or publish, or assist in the printing or publication of, books on co-operatives or any subject connected therewith;
- (c) to make such rules as may be necessary to regulate the responsibilities and control of officers and staff of the Institute and to impose such fees payable in respect of any course of study as it deems fit;
- (d) to carry out research on co-operative matters;
- (e) to provide consultancy services;
- (f) to conduct courses in co-operative studies and such other courses of study, jointly or in association, affiliation, collaboration or otherwise, with any higher educational institution or professional body, or any organization, within or outside Malaysia; and
- (g) to advise the Minister regarding matters related to training and education for co-operative societies.

### **Powers of the Institute**

4A. The Institute shall, subject to the provisions of this Act, have the powers to—

- (a) confer diplomas, certificates and equivalent qualifications upon persons who have followed courses of study conducted by the Institute and have satisfied such other requirements as may be determined by the Board, or as may be prescribed;
- (b) institute and award scholarships, bursaries, medals, prizes and other forms of distinctions, awards or assistance in respect of the training, education and knowledge based services provided by the Institute;
- (c) grant loans or financial assistance to deserving students on such terms and conditions as may be approved by the Board;
- (d) market or commercialize the services, research findings and products of the Institute;
- (e) demand and receive such fees as may from time to time be determined by the Board or as may be prescribed;
- (f) do any thing, whether or not incidental to the powers aforesaid, which may be done for the enhancement of education, training, finance, administration, welfare and discipline in the Institute; and
- (g) establish or promote the establishment of companies under the \*Companies Act 2016 [*Act 777*] to carry on or engage in any activity which has been planned or undertaken by the Institute with the approval of the Minister of Finance.

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\*NOTE—This Act has replaced the Companies Act 1965 [*Act 125*] with effect from 31 January 2017—see subsection 620(1) of Act 777.

**The Board of the Institute**

**4B.** (1) The Institute shall be administered by the Board of the Institute which consist of the following members:

- (a) a Chairman;
- (b) the Executive Chairman of the Malaysia Co-operative Societies Commission as Deputy Chairman;
- (c) the Director General of the Institute;
- (d) a representative of the Treasury;
- (e) a representative of the Ministry in charge of co-operative development;
- (f) a representative of the National Co-operative Organization of Malaysia (ANGKASA);
- (g) six persons representing the co-operative movement; and
- (h) three other persons who, in the opinion of the Minister, possess the qualification or experience in matters relating to the development, operation or well-being of the Institute.

(2) The members referred to in paragraphs (1)(a), (d), (e), (f), (g) and (h)—

- (a) shall be appointed by the Minister for a term not exceeding two years; and
- (b) shall be eligible for reappointment upon the expiry of his term of office.

(3) A senior officer of the Institute shall be appointed by the Board as Secretary to the Board but with no voting rights.

(4) A member of the Board appointed under paragraphs (1)(a), (d), (e), (f), (g) and (h) may at any time resign his office by a letter addressed to the Minister.

(5) Where a member appointed under paragraphs (1)(a), (d), (e), (f), (g) and (h) ceases to be a member of the Board, the Minister may appoint another person to fill the vacancy for the remainder of the term for which the vacating member was appointed.

(6) Subject to this Act, the Board may determine its own procedure.

### **Disqualification from being a member of the Board**

**4c.** A person shall be disqualified from being appointed or being a member of the Board—

- (a) if there has been approved against him, or he has been convicted on a charge in respect of—
  - (i) an offence involving fraud, dishonesty or moral turpitude;
  - (ii) an offence under a law relating to corruption;
  - (iii) an offence under this Act; or
  - (iv) any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years;
- (b) if he becomes a bankrupt; or
- (c) if he has been found or declared to be of unsound mind or has otherwise become incapable of managing his affairs.

### **Temporary exercise of functions of Chairman**

**4d.** (1) Where the Chairman is for any reason unable to perform his functions or during any period of vacancy in the office of the Chairman, the Deputy Chairman shall perform the functions of the Chairman.

(2) Where both the Chairman and the Deputy Chairman are for any reason unable to perform the functions of the Chairman or during any period of vacancy in the offices of the Chairman and Deputy Chairman, the Minister may appoint any member of the Board to perform the functions of the Chairman.

(3) The Deputy Chairman or the member appointed under subsection (2), as the case may be, shall, during the period in which he is performing the functions of the Chairman under this section, be deemed to be the Chairman and shall have all the powers of the Chairman.

### **Vacation of office**

**4E.** The office of a member of the Board referred to in subsection 4B(1) shall become vacant—

- (a) upon the death of the member;
- (b) upon the member resigning from such office by letter addressed to the Minister; or
- (c) upon the expiration or revocation of his appointment.

### **Revocation of appointment**

**4F.** (1) The Minister may revoke the appointment of a member of the Board referred to in paragraphs (1)(a), (d), (e), (f), (g) and (h)—

- (a) if his conduct, whether in connection with his duties as a member of the Board or otherwise, has been such as to bring discredit to the Board or the Institute;
- (b) if he has become incapable of properly carrying out his duties as a member of the Board;
- (c) if there has been proved against him, or he has been convicted on, a charge in respect of—

- (i) an offence involving fraud, dishonesty or moral turpitude;
  - (ii) an offence under a law relating to corruption;
  - (iii) an offence under this Act; or
  - (iv) any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years;
- (d) if he becomes a bankrupt;
- (e) if he has been found or declared to be of unsound mind or has otherwise become incapable of managing his affairs; or
- (f) if he absents himself from three consecutive meetings of the Board without obtaining leave in writing from the Chairman, or in the case of the Chairman, without the leave of the Minister.

(2) Notwithstanding subsection (1), the appointment of any member may at any time be revoked by the Minister without giving reasons for such revocation.

### **Board meetings**

**4G.** (1) The Board shall meet as often as may be necessary but not less than four times a year for the purpose of considering its activities.

(2) The quorum of the Board shall be seven.

(3) If on any question to be determined by the Board there is an equality of votes, the Chairman shall have a casting vote.

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

(5) Any minutes made of meetings of the Board shall, if duly signed by the Chairman, be admissible in evidence in all legal proceedings without further proof and every meeting of the Board in respect 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.

### **Disclosure of interest**

**4H.** (1) A member of the Board having, directly or indirectly, by himself or his partner—

- (a) any interest in any company or undertaking with which the Board proposes to enter into a contract; or
- (b) any interest in any such contract or in any matter under discussion by the Board,

shall disclose to the Board the fact of his interest and its nature.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Board and, unless specifically authorized by the Chairman, such member shall take no part in any deliberation or decision of the Board relating to the contract or matter.

(3) No act or proceedings of the Board shall be invalidated on the ground that any member of the Board has contravened this section.

### **Board may invite others to meetings**

**4I.** (1) The Board may invite any person to attend a meeting or deliberation of the Board for the purpose of advising it on any matter under discussion but that person shall not be entitled to vote at the meeting or deliberation.

(2) A person invited under subsection (1) may be paid such allowances as the Board may determine.

**Allowances**

**4J.** The members of the Board appointed under subsection 4B(1) and the members of any committee appointed under section 5A may be paid such allowances as the Minister may determine.

**Validity of acts and proceedings**

**4K.** No act done or proceeding taken under this Act shall be questioned on the ground of—

- (a) a vacancy in the membership of, or a defect in the constitution of, the Board; or
- (b) an omission, a defect or an irregularity not affecting the merit of the case.

**Appointment of the Director General**

**4L.** (1) The Minister shall appoint a Director General on such terms and conditions as the Minister may determine.

(2) The Director General shall hold office for a period of not exceeding three years and shall be eligible for reappointment.

(3) The Board shall vest in the Director General such powers and shall impose upon him such duties as the Board may determine.

**Appointment of officers and staff**

**4M.** (1) The Institute may appoint, on such terms and conditions of service as may be approved by the Board, such number of Deputy Director Generals, other officers and staff, as may be necessary for carrying out the purposes of the Institute.

(2) The Deputy Director Generals shall be subject to the direction and control of the Director General and may perform all the duties of the Director General under this Act.

### **Branch of the Institute**

**4N.** (1) The Board may establish and maintain such branch or branches of the Institute at such place or places in Malaysia or elsewhere as the Board may consider desirable for the purpose of carrying out the provisions of this Act.

(2) The Board shall appoint in respect of a branch, a Branch Director who shall be the principal executive, administrative and academic officer of the branch, and he shall perform his functions and discharge his duties under the direction and control of the Director General.

### **Power of the Minister to give directions**

**4O.** (1) The Board shall be responsible to the Minister.

(2) The Minister may give to the Board directions of a general character consistent with the provisions of this Act, relating to the performance of the functions and the exercise of the powers of the Board.

(3) The Board shall give effect to all directions given under this section as soon as possible.

### **Common seal of the Institute**

**4P.** (1) The common seal of the Institute may from time to time be broken, changed, altered and made anew as the Board thinks fit.

(2) The common seal of the Institute shall be kept in the custody of the Director General and shall be used with the authority of the Board.

(3) The common seal of the Institute shall be affixed to all diplomas and certificates and signed by—

- (a) the Director General or, in his absence, one other member of the Board authorized in writing by the Board; and

(b) any other person authorized by the Board,

and such signature shall be sufficient evidence that such seal was duly and properly affixed and that the same is the lawful seal of the Institute.

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

(5) 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 Institute; and any such document or instrument may be executed on behalf of the Institute by the Director General, or by any person generally or specially authorized in writing by the Board.

### **Study Committee**

5. (1) For the purpose of carrying out its functions under paragraph 4(a), the Board shall appoint a Study Committee which shall make recommendations to the Board on the appropriate syllabus required in respect of any course of study, the manner in which examinations for the award of any diploma in respect of any course of study may be conducted, and on any other matter relating to any course of study as the Institute may refer to the Study Committee.

(2) The Study Committee shall include the following persons:

- (a) the Director General who shall be the Chairman of the Study Committee;
- (b) the Deputy Director General;
- (c) a representative from the Malaysian Co-operative Societies Commission; and
- (d) two representatives from any higher educational institutions.

(3) A senior officer of the Institute shall be appointed as the Secretary to the Study Committee.

(4) Subject to any directions given by the Institute, the Study Committee shall determine its own procedure.

(5) The Chairman of the Study Committee may invite any other person to attend the meetings of the Study Committee to advise on matters relating to any course of study as the Study Committee thinks fit.

### **Power of the Board to establish other committees**

5A. The Board may establish any committee as it deems fit and subject to any directions by the Board, a committee so appointed shall determine its own procedure.

### **Borrowing powers**

6. The Institute may upon such terms and conditions as may be approved by the Minister of Finance borrow such sums as may be necessary for the purpose of carrying out any of its functions under this Act.

### **The Fund and Grants**

7. (1) There is hereby established a fund to be known as the Co-operative Institute of Malaysia Fund (hereinafter referred to as the "Fund")—

- (a) into which shall be paid all sums received by the Institute (whether by way of contributions, grants, fees, borrowing or otherwise);
- (b) from which shall be paid such outgoings as are directed by this Act to be paid out of the Fund; and
- (c) into which shall be paid sums received from the Co-operative Societies Education Trust Fund.

(2) Parliament may from time to time make grants to the Institute.

**Reserve Fund**

**7A.** (1) The Institute may establish and manage a Reserve Fund.

(2) Subject to subsection (3), the payment into and out of the Reserve Fund shall be determined by the Board.

(3) The Reserve Fund shall not be applied otherwise than for the purposes of the Institute.

**Contributory Provident Fund**

**7B.** The Institute may, with the approval of the Minister and the concurrence of the Treasury, establish and manage a Contributory Provident Fund for the Director General appointed under section 4L and officers and staff appointed under section 4M.

**Expenditure of the Institute**

**8.** All expenditure of the Institute as may be approved by the Minister shall be defrayed out of the Fund.

**Gifts**

**8A.** (1) The Board may, on behalf of the Institute, accept by way of grant, gift, testamentary disposition, subvention, legacy or otherwise, any property and money in aid of finances of the Institute on such conditions as the Board may determine.

(2) Any property or money accepted by the Institute under subsection (1) shall, subject to the terms and conditions on which the property or money is given and accepted, be applied by the Board for all or any of the purposes of the Institute in accordance with this Act.

(3) A register shall be kept of all properties and moneys accepted by the Board under subsection (1), including the names of the donors and any special conditions on which the properties and moneys may have been given.

(4) All properties and moneys given and accepted for any specific purposes shall be applied and administered in accordance with the purposes for which the properties and moneys may be given and accepted and shall be separately accounted for.

### **Investment**

**9.** The assets of the Fund may, in so far as they are not required to be expended by the Institute under this Act, be invested in investments for the time being authorized by law for the investment of trust funds:

Provided that the Institute shall not invest in securities issued or registered, or other property situated, outside Malaysia except with the approval of the Treasury.

### **Annual estimates**

**10.** (1) The Chairman of the Board shall, not later than one month before the commencement of each financial year, lay before the Board an estimate of the expenditure of the Institute (including capital expenditure) approved by the Minister for the ensuing year in such detail and form as the Board may determine.

(2) A copy of the estimate shall be sent to each member of the Board not less than fourteen days prior to the meeting before which the estimate is to be laid.

### **Accounts and audit**

**11.** (1) The Institute shall keep proper accounts and other records in respect of its operations and shall prepare statements of accounts in respect of each financial year.

(2) The accounts of the Institute shall be audited annually by the Auditor General or by an auditor being an approved company auditor within the meaning of the Companies Act 2016 [Act 777] appointed by the Board.

(3) After the end of each financial year, as soon as the accounts of the Institute have been audited, the Board shall cause a copy of the statement of accounts to be submitted 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 Institute.

(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**

**12.** (1) The Board 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 activities of the Institute during the preceding financial year containing such information relating to the proceedings and policy of the Institute as the Minister may from time to time direct.

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

### **Public Authorities Protection Act 1948**

**12A.** The Public Authorities Protection Act 1948 [*Act 198*] shall apply to any action, suit, prosecution or proceedings against the Institute or against the Board, any member of the Board, any member of a committee, or any officer, staff or agent of the Institute in respect of any act, neglect or default done by it or by him, as the case may be, in such capacity.

### **Public servants**

**12B.** Every member of the Board, or any officer, staff or agent of the Institute, while discharging his duties under this Act as such member, officer, staff or agent, shall be deemed to be a public servant within the meaning of the Penal Code [*Act 574*].

**Obligation of secrecy**

**12c.** (1) Except for the purposes of this Act or any civil or any criminal proceedings under any written law, a member of the Board, or any officer, staff or agent of the Institute, any member of a committee, or any person invited to attend any meetings of the Board or any committee, shall not disclose any information which has been obtained by him in the course of his duties and which is not published in pursuance of this Act.

(2) Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding six months or to both.

**Civil proceedings**

**12d.** Notwithstanding the provisions of any written law to the contrary, in any civil proceedings by or against the Institute or in any other proceedings in which the Institute is required or permitted by the court to be represented, or to be heard, or is otherwise entitled to be represented or to be heard, any person or officer of the Institute authorized in that behalf by special or general directions by the Director General, may on behalf of the Institute, institute such proceedings or appear in and conduct such proceedings and may make all appearances and applications and do all acts in respect of such proceedings on behalf of the Institute.

**Act or omission done in good faith**

**12e.** No action or suit shall be brought, instituted or maintained in any court against—

- (a) the Board;
- (b) a member of the Board;
- (c) the Institute;
- (d) any officer or staff of the Institute; or

(e) any persons lawfully acting on behalf of the Institute,

for any act or omission done or omitted in good faith in the exercise or discharge of its or his powers or duties under this Act on a reasonable belief that it was necessary for the purpose intended to be served thereby.

### **Power of Board to make rules and guidelines**

**12F.** (1) The Board may make such rules and guidelines as may be necessary for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of subsection (1), such rules and guidelines may provide for all or any of the following matters:

- (a) the functions and duties of the officers and staff;
- (b) the determination of the requirements governing the recognitions and awards of diplomas, certificates and equivalent qualifications to be conferred by the Institute;
- (c) the conditions and admission and welfare of the students;
- (d) the forms required for the purposes of this Act; and
- (e) any matter within the powers of the Institute under section 4A.

### **Power of Minister to make regulations**

**12G.** The Minister may make regulations—

- (a) providing for the discipline of the students of the Institute, including prescribing the disciplinary offences, disciplinary punishments and the procedures for disciplinary proceedings; and

- (b) on any matters as may be expedient or necessary for the better carrying into effect of the provisions of this Act.

### **Vesting of property and transfer of rights and liabilities**

**13.** All property movable or immovable, which immediately before the commencement of this Act was vested in or held by or for the Co-operative College of Malaya, shall on the coming into force of this Act and without any conveyance, assignment or transfer whatever vest in or pass to the College for the like title, estate or interest and on the like tenure and for the like purposes as the same was vested or held immediately before the coming into force of this Act; and all rights and liabilities which immediately before the said commencement were the rights and liabilities of the Co-operative College of Malaya shall upon the commencement aforesaid be the rights and liabilities of the College.

### **Saving**

**14.** \*The Education Act 1961 [*Act 43 of 1961*], shall not apply to the Institute.

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\*NOTE—The Education Act 1961 [*Act 43 of 1961*] has since been repealed by the Education Act 1996 [*Act 550*]*—see* section 155 of Act 550.

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SCHEDULE

*(Deleted by Act A1398).*

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**LAWS OF MALAYSIA****Act 437****CO-OPERATIVE INSTITUTE (INCORPORATION)  
ACT 1968**

## LIST OF AMENDMENTS

Amending law	Short title	In force from
Act A1398	Co-operative College (Incorporation) (Amendment) Act 2011	01-09-2011
Act A1589	Co-operative College (Incorporation) (Amendment) Act 2019	Part IV— 03-05-2019

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# LAWS OF MALAYSIA

## Act 437

### CO-OPERATIVE INSTITUTE (INCORPORATION) ACT 1968

#### LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
1	Act A1589	03-05-2019
2	Act A1398	01-09-2011
3	Act A1398	01-09-2011
4	Act A1398	01-09-2011
4A-4P	Act A1398	01-09-2011
5	Act A1398	01-09-2011
5A	Act A1398	01-09-2011
7	Act A1589	03-05-2019
7A	Act A1398	01-09-2011
7B	Act A1398	01-09-2011
8A	Act A1398	01-09-2011
10	Act A1398	01-09-2011
11	Act A1398	01-09-2011
12	Act A1398	01-09-2011
12A-12G	Act A1398	01-09-2011
Schedule	Act A1398	01-09-2011
Throughout the act	Act A1589	03-05-2019

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