



LAWS OF MALAYSIA

REPRINT

Act 405

EXTENDED CREDIT ACT 1966

Incorporating all amendments up to 1 January 2006

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EXTENDED CREDIT ACT 1966

First enacted	1966 (Act No. 50 of 1966)
Revised	1989 (Act 405 w.e.f 15 December 1989)

PREVIOUS REPRINT

<i>First Reprint</i>	2001
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LAWS OF MALAYSIA**Act 405****EXTENDED CREDIT ACT 1966**

ARRANGEMENT OF SECTIONS

Section

1. Short title
2. Interpretation
3. Authority of the Minister to enter into extended credit arrangements
4. Implementation of obligations under any extended credit arrangements

LAWS OF MALAYSIA**Act 405****EXTENDED CREDIT ACT 1966**

An Act to authorize the raising of loans outside Malaysia in the form of receiving goods or services and delaying the payment of the price therefor and the value of services together with interest thereon to some future dates and to provide for matters connected therewith.

[31 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

1. This Act may be cited as the Extended Credit Act 1966.

Interpretation

2. For the purposes of this Act unless the context otherwise requires—

“extended credit arrangement” means an arrangement whereby a party to the arrangement accepts goods or services from another party and is allowed under the terms of the arrangement to delay payment of the price for the goods so accepted and the value of the services rendered together with interest thereon (if any) to some future dates;

“Minister” means the Minister of Finance.

Authority of the Minister to enter into extended credit arrangements

3. (1) Subject to the Federal Constitution and this Act, the Minister may from time to time for the purposes of the Development Fund or some one or more of those purposes enter into extended credit arrangements outside Malaysia and may, for the purpose of giving effect to the terms of any extended credit arrangement so entered into—

- (a) issue such bonds, promissory notes or other instruments on such terms and conditions as to repayment, redemption or other matters (including provision for the sinking fund) as may be determined by or with the authority of the Minister; and
- (b) from time to time pay by way of instalments the price for goods received or the value of services rendered and interest chargeable thereon in accordance with the extended credit arrangements.

(2) For the purpose of section 2 of the *Development Fund Ordinance 1958 [*Ord. 18 of 1958*], the price for goods received or the value of services rendered under any extended credit arrangement entered in pursuance of this section shall be treated as moneys.

(3) The price for goods received and the value of services rendered under the terms of extended credit arrangements entered into under this section shall not in the aggregate exceed the sums specified from time to time by the Yang di-Pertuan Agong by order published in the Gazette and such order shall as soon as possible after its publication be laid by the Minister before the Dewan Rakyat.

(3A) Any agreement entered into in respect of any extended credit arrangements under the powers conferred by subsection (1) shall be made in the name of the Federation and may be signed on behalf of the Federation by the Minister or by any person authorised thereto in writing by the Minister.

*NOTE—The Development Fund Ordinance 1958 [*Ord. 18 of 1958*] has since been repealed by the Development Funds Act 1966 [*Act 406*]*—see* section 10 of Act 406.

(4) Any agreement entered into in respect of any extended credit arrangements under the powers conferred by subsection (1) shall be made in the name of Malaysia and may be signed on behalf of Malaysia by the Minister or by any person authorized thereto in writing by the Minister.

Implementation of obligations under any extended credit arrangement

4. (1) Subject to this Act but notwithstanding anything contained in any other existing law any extended credit arrangement entered into under section 3 and any bond, promissory note or other instrument issued pursuant to such arrangement and any guarantee or undertaking given in respect of any such arrangement, bond, promissory note or instrument by the Minister shall be valid and enforceable and have full force and effect in Malaysia in accordance with their respective terms.

(2) Without prejudice to the generality of subsection (1), the Minister may by order published in the *Gazette*—

- (a) provide that any tax or duty payable under any written law relating to income tax or stamp duty respectively shall be remitted where such remission is necessary to give full and complete effect to any such arrangement, bond, promissory, note, instrument or guarantee; and
 - (b) give such exemptions from exchange control as he considers necessary to any transaction required to give effect to the payment of any sum in accordance with the terms of any such arrangement, bond, promissory note, instrument or guarantee notwithstanding the provisions of any written law relating to exchange control.
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LAWS OF MALAYSIA**Act 405****EXTENDED CREDIT ACT 1966****LIST OF AMENDMENTS**

Amending law	Short title	In force from
Act A185	Extended Credit (Amendment) Act 1973	30-03-1973
Act A477	Loan (Local) External and Extended Credit (Amendment) Act 1980	01-02-1980

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LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
3	Act A185 Act A477	30-03-1973 01-02-1980
