



LAWS OF MALAYSIA

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Act 464

RAILWAYS (SUCCESSOR COMPANY) ACT 1991

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**RAILWAYS (SUCCESSOR COMPANY)
ACT 1991**

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LAWS OF MALAYSIA

Act 464

RAILWAYS (SUCCESSOR COMPANY) ACT 1991

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LAWS OF MALAYSIA

Act 464

RAILWAYS (SUCCESSOR COMPANY) ACT 1991

An Act to provide for the vesting of property, rights and liabilities of the Railway Assets Corporation in a company, to make financial arrangements for that company, to provide for matters relating to staff and for other matters connected therewith.

[1 August 1992, P.U. (B) 402/1992]

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:

PART I

PRELIMINARY

Short title and commencement

1. (1) This Act may be cited as the Railways (Successor Company) Act 1991.

(2) This Act shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

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

“Corporation” means the Minister of Finance incorporated by the Minister of Finance (Incorporation) Act 1957 [Act 375];

“Federal Lands Commissioner” means the Federal Lands Commissioner appointed under the Federal Lands Commissioner Act 1957 [Act 349];

“liabilities” means liabilities, debts, charges, duties and obligations of every description (whether present or future, actual or contingent, and whether payable or to be observed or performed in Malaysia or elsewhere);

“Minister” means the Minister for the time being charged with the responsibility for railways;

“property” includes all property, movable or immovable, and all estates, interests, easements and rights, whether equitable or legal in, to or out of property, choses in action, money and goodwill; and “vested”, in relation to property, includes rights to property which are future or contingent and rights in reversion and remainder;

“Railway Administration” means the corporation sole entitled the Malayan Railway Administration established under section 4 of the repealed Ordinance;

“Railway Assets Corporation” means the Railway Assets Corporation established under the Railways Act 1991 [*Act 463*];

“repealed Ordinance” means the Railway Ordinance 1948 [*M. U. Ord. 8 of 1948*];

“rights” means all rights, powers, privileges and immunities, whether actual, contingent or prospective;

“successor company” means the company limited by shares incorporated under the Companies Act 1965 [*Act 125*], and named by the Minister in the order under subsection 3(1), to which property, rights and liabilities of the Railway Assets Corporation are from time to time transferred to and vested in under section 3; and

“vesting date” means the date on which property, rights and liabilities of the Railway Assets Corporation are transferred to and vested in the successor company as specified by the Minister in the order under subsection 3(1).

PART II

VESTING OF PROPERTY, ETC., IN SUCCESSOR COMPANY

Vesting provisions

3. (1) Subject to this Act, the Minister may, from time to time, by order published in the *Gazette*, appoint a vesting date and on such date, all property, rights or liabilities of the Railway Assets Corporation specified by the Minister in such order shall by virtue of this Act be transferred to and vested in the successor company without any conveyance, assignment or transfer whatever.

(2) Every property vested by virtue of subsection (1) in the successor company shall be so vested in the company for the like title, estate or interest and on the like tenure as the same was vested or held immediately before the vesting date.

(3) Every chose in action vested by virtue of subsection (1) in the successor company may, after the vesting date, be sued on, recovered or enforced by the company in its own name and it shall not be necessary for the company or the Railway Assets Corporation to give notice to the person bound by the chose-in-action of the vesting effected by subsection (1).

(4) Every right and liability vested by subsection (1) in the successor company may, on and after the vesting date, be sued on, recovered or enforced by or against the company in its own name and it shall not be necessary for the company or the Railway Assets Corporation to give notice to the person whose right or liability is affected by the vesting under subsection (1).

(5) Any pending legal proceedings by or against the Railway Assets Corporation which relate to any property, right or liability transferred to and vested in the successor company by virtue of subsection (1) may, on and after the vesting date, be continued by or against the successor company.

(6) In the case of rights and liabilities arising under any loans which vest in the successor company on the vesting date, the company may enter into such arrangements or agreements over such rights and liabilities with the Railway Assets Corporation or the Government of Malaysia or any third party.

(7) Where by virtue of subsection (1), any property is transferred to and vested in the successor company, the provisions in Part Thirty of the National Land Code [*Act 56 of 1965*] shall, for the purpose of effecting the registration of such vesting, apply to the successor company as if it were a public authority.

(8) On and after the vesting date, any agreement relating to any property, rights and liabilities transferred to and vested in the successor company under subsection (1) to which the Railway Assets Corporation was a party immediately before the vesting date, whether in writing or not, and whether or not of such a nature that rights and liabilities thereunder could be assigned by the Railway Assets Corporation, shall have effect as if the company had been a party to the agreement.

Initial Government holding in the successor company

4. (1) As a consequence of the vesting in the successor company of the property, rights and liabilities under section 3, the company shall issue such securities of the company as the Minister of Finance may, after consultation with the Minister, from time to time direct to the Corporation.

(2) Securities required to be issued in pursuance of this section shall be issued or allotted at such times and on such terms, as to allotment, as the Minister of Finance may, after consultation with the Minister, direct.

(3) Shares issued in pursuance of this section

(a) shall be of such nominal value as the Minister of Finance may direct; and

(b) shall be issued as fully paid and treated for the purposes of the Companies Act 1965 as if they had been paid up by virtue of the payment to the successor company of their nominal value.

(4) The Minister of Finance may, after consultation with the Minister, dispose of any securities issued or of any rights to securities initially allotted to the Corporation in pursuance of this section.

(5) Any dividends or other sums received by the Corporation in right of, on the disposal of or otherwise in connection with, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.

Government investment in securities of the successor company

5. (1) The Minister of Finance may, after consultation with the Minister, at any time, acquire—

(a) securities of the successor company or of any subsidiary of the successor company; or

(b) rights to subscribe for any such securities.

(2) The Minister of Finance may, after consultation with the Minister, dispose of any securities or rights acquired under this section.

(3) Any expenses incurred by the Corporation in consequence of the provisions of this section shall be treated as investments and be authorized under subparagraph 8(3)(a)(iv) of the Financial Procedure Act 1957 [*Act 61*].

(4) Any dividends or other sums received by the Corporation in right of, on the disposal of or otherwise in connection with, any securities or rights acquired under this section shall be paid into the Consolidated Fund.

(5) Stamp duty shall not be chargeable —

(a) in respect of any increase in the authorized share capital of the successor company which —

(i) is effected at a time when the successor company was wholly owned by the Government; and

(ii) is certified by the Treasury as having been effected by the issue of shares subscribed for by the Corporation under paragraph (1)(a); or

(b) on any instrument which is certified by the Treasury as having been made or effected in pursuance of section 4.

Appointment of Government representatives on the board of the successor company

6. (1) The Minister of Finance may, from time to time, for so long as the Government of Malaysia holds not less than five per cent of the entire issued securities in the successor company, after consultation with the Minister, nominate such number of persons as may be appropriate to be directors on the board of the company.

(2) The successor company shall cause every person nominated by the Minister of Finance under subsection (1) to be appointed to the board of the company.

(3) Any person appointed to the board of the successor company under subsection (2) may, at any time, be removed by the Minister of Finance, after consultation with the Minister, by giving written notice to such person and the company.

(4) For the purpose of determining the number of persons to be appointed as directors of the successor company under subsection (1), the Minister of Finance shall have regard to the total number of securities held by the Government of Malaysia and the total number of directors appointed or proposed to be appointed by the company to its board, at the time of such nomination.

(5) Nothing in this section shall be construed so as to affect any power, right or privilege which may be conferred on the Government of Malaysia by the constituent documents of the successor company.

Financial structure of the successor company

7. (1) If the Minister of Finance, after consultation with the Minister, so directs at any time before the successor company ceases to be wholly owned by the Government of Malaysia, such sum not exceeding the accumulated realized profits of the company as may be specified in the direction shall be carried by the company to a reserve, which in this section is referred to as “the statutory reserve”.

(2) The statutory reserve may only be applied by the successor company in paying up unissued shares of the company to be allotted to members of the company as fully-paid bonus shares.

(3) For the purposes of any statutory accounts of the successor company, the value of any asset or right or the amount of any liability of the Railway Assets Corporation taken to have been vested in the company by virtue of section 3 in any particular year (in this section referred to as “the first mentioned year”) shall—

(a) in the case where a statement of accounts has been prepared by the Railway Assets Corporation for the year immediately preceding the first mentioned year, be taken to be the value or, as the case may be, the amount assigned to that asset, right or liability in such statement of accounts; and

(b) in the case where no statement of accounts has been prepared by the Railway Assets Corporation for the year immediately preceding the first mentioned year for any reason whatever, be taken to be the value or, as the case may be, the amount assigned to that asset, right or liability in the statement of accounts prepared by the Railway Administration which was in existence under the repealed Ordinance for the last complete accounting year of the Railway Administration and ending immediately before the first mentioned year.

(4) References in this section to the statutory accounts of the successor company are references to any accounts prepared by the successor company for the purposes of any provision of the Companies Act 1965.

(5) For the purposes of this section, “complete accounting year” means an accounting year ending with 31 December.

PART III

PROVISIONS RELATING TO STAFF

Staff

8. (1) The successor company shall accept into its employment on a date to be appointed by the Minister by notification in the *Gazette* every person who immediately before that date is a member of the staff of the Railway Administration and who was given an option by

the Government of Malaysia and has opted to serve as an employee of such company.

(2) Every such person who opts under subsection (1) to serve as an employee of the successor company shall be employed by such company on terms and conditions of service not less favourable than the terms and conditions of service to which he was entitled to immediately before the appointed date.

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LIST OF AMENDMENTS

Amending law	Short title	In force from
	– NIL –	

LAWS OF MALAYSIA**Act 464****RAILWAYS (SUCCESSOR COMPANY) ACT 1991**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
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— NIL —
