



# LAWS OF MALAYSIA

---

REPRINT

---

**Act 389**

## **TUNKU ABDUL RAHMAN FOUNDATION FUND ACT 1966**

*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

**TUNKU ABDUL RAHMAN FOUNDATION  
FUND ACT 1966**

First enacted	... ..	1966 (Act No. 43 of 1966)
Revised	... ..	1989 (Act 389 w.e.f. 19 October 1989)

*PREVIOUS REPRINT*

<i>First Reprint</i>	... ..	2001
----------------------	--------	------

# LAWS OF MALAYSIA

## Act 389

### TUNKU ABDUL RAHMAN FOUNDATION FUND ACT 1966

---

#### ARRANGEMENT OF SECTIONS

---

#### PART I

#### PRELIMINARY

##### Section

1. Short title and application
2. Interpretation

#### PART II

#### THE FUND

3. Establishment and management of the Fund

#### PART III

#### THE BOARD

4. Powers of Board to accept grants, donations, *etc.*
5. Members of Board
6. Disqualification of members
7. Removal from office

#### PART IV

#### OBJECTS OF THE FUND

8. Cost of managing the Fund and object of the Fund
9. Terms of study award
10. Operation of this Act
11. Cessation of award in certain cases
12. Conditions of award

## PART V

## GENERAL

## Section

13. Investment powers of the Board
14. Audit and accounts
15. Seal of the Board
16. Appointment of officers and servants
17. Delegation by the Board
18. Liability for loss in investment
19. Rules
20. Liquidation
21. Transfer into Fund of moneys in the hands of sponsors

**LAWS OF MALAYSIA****Act 389****TUNKU ABDUL RAHMAN FOUNDATION  
FUND ACT 1966**

An Act to establish the Tunku Abdul Rahman Foundation Fund and to provide for the management of that Fund and other matters incidental thereto.

[28 July 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:

**PART I****PRELIMINARY****Short title and application**

**1.** This Act may be cited as the Tunku Abdul Rahman Foundation Fund Act 1966, and shall apply throughout Malaysia.

**Interpretation**

**2.** In this Act—

“Minister” means the Minister of Education.

**PART II****THE FUND****Establishment and management of the Fund**

**3.** (1) There is hereby established a Fund to be known as the Tunku Abdul Rahman Foundation Fund (hereinafter referred to as the “Fund”).

(2) The Fund shall vest in and be managed by a Board of Trustees (hereinafter referred to as the “Board”) which shall be a body corporate with perpetual succession and a common seal with the power to sue and be sued, to hold property movable or immovable, to make contracts and subject as hereafter provided to convey, assign, surrender, mortgage, lease or otherwise dispose of movable or immovable property vested in the Board upon such terms as it may think fit.

### PART III

#### THE BOARD

#### **Powers of Board to accept grants, donations, *etc.***

4. The Board shall have power at its discretion to accept any grants, donations, endowments, gifts, or bequests made to or in favour of the Fund.

#### **Members of Board**

5. (1) The Board shall consist of the following members viz—

- (a) the Chairman, who shall be appointed by the Yang di-Pertuan Agong;
- (b) a representative of the Ministry of Education;
- (c) a representative of the Treasury; and
- (d) six other members to be appointed by the Minister.

(2) The Chairman and the members of the Board referred to in paragraph (1)(d) shall be appointed for a period of three years and are eligible for reappointment.

(3) The Chairman shall preside at all meetings of the Board.

(4) The Board shall meet at such places and times as the Chairman may appoint and at any meeting of the Board five members shall form a quorum.

(5) The Chairman shall have a casting vote.

(6) Subject to this Act the Board shall have power to determine its own procedure.

### **Disqualification of members**

**6.** A member of the Board shall be disqualified from holding office as such member if he—

- (a) becomes a bankrupt;
- (b) is sentenced to a term of imprisonment; or
- (c) commits any breach of trust or any dereliction of his duty as such member which in the opinion of the appointing authority warrants his removal.

### **Removal from office**

**7. (1)** The Minister may at any time remove from office any member of the Board appointed under paragraph 5(1)(d) and appoint another in his place.

(2) Without prejudice to the power of removal under subsection (1), the Minister may remove from office any such member of the Board who by reason of ill-health or prolonged absence from Malaysia is in the opinion of the Minister rendered incapable of properly performing his duties as a member of the Board.

## **PART IV**

### **OBJECTS OF THE FUND**

#### **Cost of managing the Fund and object of the Fund**

**8. (1)** All expenses incidental to the management of the Fund shall be defrayed from the moneys of the Fund in priority to any other payments.

(2) Subject to the provisions of this Act, the balance of the Fund after defraying the expenses referred to in subsection (1) shall be utilized for the following purposes:

- (a) to provide or award such number of studentships, scholarships, study grants or study loans, or any other award or financial assistance as the Board may determine from time to time to be provided or awarded to any person referred to in subsection (3) to enable the person to pursue such course or courses of education as the Board may think proper; and

- (b) to provide grants, loans or any other form of financial assistance to any school or other educational institution for purposes of education upon such terms and conditions as the Board may determine from time to time.

(3) Paragraph (2)(a) shall apply to any citizen of Malaysia who by virtue of his circumstances or other reasons require in the opinion of the Board to be provided with or assisted by a studentship, scholarship, study grant or study loan or any other award or financial assistance under this Act.

### **Terms of study award**

**9.** (1) Every recipient of a studentship, scholarship, study grant, study loan or any other award provided or awarded under this Act shall become and during his tenure thereof shall remain a student at the place of education approved by the Board and shall pursue his studies thereat to the satisfaction of the Board.

(2) If any recipient of any award made under this Act fails to satisfy section 8 or commits a breach of any of the conditions laid down by the Board or in any way whatsoever misconducts himself he may thereupon be deprived of such award.

### **Operation of this Act**

**10.** (1) This Act shall be supplementary to and not in derogation of any other written law relating to studentships, scholarships, study grants, study loans or any other awards in force in any part of Malaysia.

(2) If in the opinion of the Board at any time that circumstances render any award under this Act inadvisable or if there is in any year no candidate entitled in the opinion of the Board to any award under this Act then no such award shall be made for that year and the money which otherwise would have been appropriated to such award may be dealt with as hereinafter provided in this Act.

### **Cessation of award in certain cases**

**11.** The Board may cease to provide, maintain or assist any recipient of an award under this Act who contravenes or fails to



comply with the terms or conditions imposed by the Board in accordance with this Act or if it appears to the Board that a further pursuance of his studies is not advantageous or reasonable by reason of his unsatisfactory scholastic progress misconduct or ill-health:

Provided that in any such case of cessation of an award the Board shall defray all expenses necessary to return such recipient and his dependants if any to Malaysia if they shall have departed therefrom on the instructions or with the approval of the Board.

### **Conditions of award**

**12.** Before making any award under this Act the Board may impose such conditions as it deems necessary.

## **PART V**

### **GENERAL**

### **Investment powers of the Board**

**13.** (1) The assets of the Fund may be invested by the Board in—

- (a) investments for the time being authorized by law for the investment of trust funds; or
- (b) subject to subsection (2), other forms of investment.

(2) Investments under paragraph (1)(b) shall be limited to a maximum of 10 per centum of the assets of the Fund and shall, if invested in shares—

- (a) be made in the shares of companies which have for three successive years immediately preceding such investment paid dividends on their ordinary shares; or
- (b) be made in the initial public offer shares of companies newly listed on the Stock Exchange which are allocated for and offered to the Fund by the Ministry of Finance or the Ministry of International Trade and Industry.

(3) Notwithstanding subsection (1) the Board shall not make any investment in securities issued or registered, or other properties situated, outside Malaysia except with the approval in writing of the Minister of Finance.

**Audit and accounts**

**14.** (1) The accounts of the Fund shall be audited by an auditor appointed by the Board with the approval of the Minister of Finance.

(2) As soon as may be after the end of each calendar year the Board shall submit to the Minister an audited account of the revenues and expenditure of the Fund for that year together with a statement of assets and liabilities thereof; and the Minister shall cause the account and statement together with a copy of any observations of the auditor thereon to be laid before each House of Parliament.

**Seal of the Board**

**15.** (1) A common seal of the Board shall be in the custody of the Chairman and shall not be affixed to any instrument except in the presence of the Chairman or any other member of the Board authorized by the Chairman.

(2) Any instrument bearing the seal of the Board so affixed and attested shall be deemed to have been made by the Board.

**Appointment of officers and servants**

**16.** The Board shall have power to appoint a Secretary to the Board and such other officers and servants as may be necessary for carrying out the functions of the Board.

**Delegation by the Board**

**17.** The Board may by instrument in writing under the common seal of the Board delegate to any person or body such of its duties as may be necessary to be performed in or outside Malaysia; provided that any such person or body shall have no control over the Fund and shall act in all respects in accordance with the direction of the Board.

**Liability for loss in investment**

**18.** No member of the Board shall be liable for any loss arising from or contingent upon any investment made unless such loss has been occasioned by his wilful negligence fraud or dishonesty; and

no member of the Board agent or person acting under the authority of the Board shall be personally liable to any action or proceeding for or in respect of any act matter or thing done or omitted to be done in good faith and in the proper exercise of any of the rights or powers of the Board or members thereof.

## **Rules**

**19.** (1) The Board may from time to time with the approval of the Minister make rules for the proper carrying out of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules—

- (a) may prescribe the awards, the conditions to be observed and the qualifications to be possessed by the candidates;
- (b) may provide for the payment of salaries and allowances and conditions of service of the officers and servants of the Board;
- (c) may provide for the establishment and management of a superannuation or provident fund scheme for its officers and servants.

## **Liquidation**

**20.** (1) If at any time the moneys or other assets of the Fund are in the opinion of the Board insufficient to meet the expenses of the Fund and other payments the Chairman of the Board shall forthwith make a report of that fact to the Minister.

(2) If on receipt of such report the Minister considers that an appeal for grants donations endowments or gifts should be made he shall forthwith direct the Board to make such appeals and the Board shall accordingly comply with such direction.

(3) If after the expiration of six calendar months from the date any appeal is made under subsection (2) no adequate grants donations or endowments are received by the Board the Minister shall direct that the Fund be liquidated; and proceedings for liquidation shall commence according to the rules made under this Act.

**Transfer into Fund of moneys in the hands of sponsors**

**21.** Upon the commencement of this Act all moneys and other assets on the custody, control or management of any person or persons by virtue of any authority whatsoever and donated to the Fund or received by such person or persons in anticipation of the promulgation of this Act together with any interest or dividends accrued thereon shall be deemed to form part of the Fund and shall be transferred to and vested in the Board.

---

**LAWS OF MALAYSIA****Act 389****TUNKU ABDUL RAHMAN FOUNDATION  
FUND ACT 1966****LIST OF AMENDMENTS**

Amending law	Short title	In force from
Act A1045	Tunku Abdul Rahman Foundation Fund (Amendment) Act 1998	01-01-1999

---

**LAWS OF MALAYSIA**

**Act 389**

**TUNKU ABDUL RAHMAN FOUNDATION  
FUND ACT 1966**

**LIST OF SECTIONS AMENDED**

Section	Amending authority	In force from
8	Act A1045	01-01-1999
13	Act A1045	01-01-1999

