



LAWS OF MALAYSIA

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CONTROL OF RENT (REPEAL) ACT 1997

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CONTROL OF RENT (REPEAL) ACT 1997

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LAWS OF MALAYSIA**Act 572****CONTROL OF RENT (REPEAL) ACT 1997**

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LAWS OF MALAYSIA**Act 572****CONTROL OF RENT (REPEAL) ACT 1997**

An Act to repeal the Control of Rent Act 1966 and to provide for transitional provisions.

[1 September 1997]

WHEREAS it is expedient for the purpose of ensuring uniformity of law and policy to repeal the law relating to the control of rent within the States of Peninsular Malaysia and the Federal Territory of Kuala Lumpur:

AND WHEREAS the State Authority of each State has been consulted in relation to the date of the coming into force of this Act:

NOW, THEREFORE, pursuant to Clause (4) of Article 76 of the Federal Constitution, **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 Control of Rent (Repeal) Act 1997.

(2) This Act shall come into force on 1 September 1997.

PART II

REPEAL

Repeal of Act 363

2. The Control of Rent Act 1966 [*Act 363*], which in this Act is referred to as “the Act”, is repealed.

Cessation of tenancy

3. Upon the repeal of the Act under section 2, any tenancy between a landlord and a tenant before the date of the repeal shall forthwith be deemed to have ceased.

Savings

4. The repeal of the Act under section 2 shall not affect any proceedings commenced before the repeal of the Act and still pending immediately prior to the repeal of the Act, or any orders, decisions or judgments made before the repeal of the Act, in respect of—

(a) fair rent; and

(b) recovery of possession of controlled premises,

and the Act shall continue to apply to the proceedings or orders, decisions or judgments as if the Act had not been repealed.

PART III

TRANSITIONAL PROVISIONS

Transitional period

5. (1) Subject to subsection (2), “transitional period” means the period commencing on 1 September 1997 and ending on 31 December 1999.

(2) Notwithstanding subsection (1), the transitional period may cease to be in force earlier than 31 December 1999 in the Federal Territory of Kuala Lumpur or in any State or in such part or parts of the State on such date as the Minister, after consultation with the State Authority, may appoint in relation to that State or such part or parts of that State for the expiry of the transitional period by a notification in the *Gazette*.

Deemed tenancy

6. (1) Notwithstanding section 3, any tenant, subtenant or joint-tenant who—

(a) was in actual occupation of the premises on the date of the repeal of the Act; and

(b) could have lawfully continued to occupy the premises but for the repeal of the Act,

shall be deemed to have entered into a tenancy with the landlord as from the date of the repeal of the Act.

(2) Unless sooner terminated by mutual consent of the parties, a tenancy deemed to have been entered into under subsection (1) shall be in force until the expiry of the transitional period.

Amount of rental

7. The amount of rental to be paid monthly by the tenant to the landlord shall be determined in accordance with the formula in the Schedule.

Non-payment or arrears of rental

8. (1) In the event of non-payment or arrears in payment of rental by the tenant during the transitional period, the landlord shall have the right to vacant possession of the premises from the tenant without payment of any compensation.

(2) In exercising his right to vacant possession of premises under subsection (1), the landlord shall comply with the procedure laid down in subsections 11(2) and 11(3) for the recovery of vacant possession of premises.

(3) Any dispute which may arise over the operation of subsection (1) may be referred by the tenant to the De-control Tribunal under paragraph 10(1)(b) before the expiry of the three month period provided for in paragraph 11(3)(a).

(4) If no dispute is referred to the De-control Tribunal under subsection (3), the landlord shall be entitled to vacant possession of the premises upon the expiry of the three month period provided for in paragraph 11(3)(a).

(5) The recovery of vacant possession of premises under subsection (4) shall not prejudice the right of the landlord to recover any rental accrued and remaining unpaid as at the date of the expiry of the three month period provided for in paragraph 11(3)(a).

Prohibition against recovery of premises

9. Except for the right to vacant possession of the premises under section 8, no landlord is entitled to recover vacant possession of

the premises for any other reason during the transitional period.

De-control Tribunal

10. (1) There shall be established a tribunal to be called the “De-control Tribunal” which shall have jurisdiction to hear and determine any dispute concerning—

(a) rentals due and owing to the landlord; and

(b) the recovery of vacant possession of premises under section 8.

(2) For the purposes of this Part, the Rent Tribunal established under section 12 of the Act shall be the De-control Tribunal in subsection (1), and shall continue to exist and operate until the expiry of the transitional period under subsection 5(1) or 5(2), as the case may be.

(3) A person appointed to be a member of the Rent Tribunal under section 12 of the Act shall be deemed to be a member of the De-control Tribunal and shall continue to hold office until the expiry of the transitional period unless he sooner resigns or is removed from office.

(4) The decision of the De-control Tribunal is final.

Expiry of transitional period

11. (1) Upon the expiry of the transitional period under subsection 5(1) or 5(2), as the case may be, all tenancies deemed to have been entered into between the landlords and tenants under subsection 6(1) shall cease to be in force and the landlords shall thereafter—

(a) have the right to vacant possession of the premises from the tenants without payment of any compensation; and

- (b) be entitled to any rental accrued and remaining unpaid from the tenants as at the date of the expiry of the transitional period.

(2) A landlord who wishes to exercise his right under paragraph (1)(a) shall serve on the tenant a notice to vacate the premises.

(3) The notice referred to in subsection (2)—

- (a) shall provide for a period of three months for the tenant to vacate the premises; and
- (b) may be served on the tenant or anyone authorized to accept service on his behalf, hereafter referred to as the “person to be served”—
 - (i) by delivering it personally to the person to be served;
 - (ii) by sending it by registered post addressed to the person to be served at the usual or last known place of residence of the person; or
 - (iii) by affixing it on some conspicuous part of the premises to which it relates if the person to be served cannot be served personally or by registered post.

Rules

12.(1) The Minister may make rules for the purpose of carrying into effect the provisions of this Part.

(2) Notwithstanding subsection (1), rules made by the Ruler or the Yang di-Pertua Negeri of a State in relation to the Rent Tribunal under section 27 of the Act shall apply to the De-control Tribunal established under section 10 of this Act as they applied to the

Tribunal established under section 12 of the Act, unless those rules are revoked or replaced expressly or impliedly by rules made by the Minister under subsection (1).

SCHEDULE

[Section 7]

FORMULA FOR RENTAL

1. The amount of rental to be paid monthly by the tenant to the landlord shall be on a graduated increase as follows:

Year 1 - R plus $\frac{1}{4}$ (M - R)

Year 2 - R plus $\frac{1}{2}$ (M - R)

Year 3 - R plus $\frac{3}{4}$ (M - R)

2. Year 1 shall be deemed to be the period commencing on 1 September 1997 and ending on 31 December 1997 or the expiry of the transitional period, whichever is earlier.

3. Year 2 shall be deemed to be the period commencing on 1 January 1998 and ending on 31 December 1998 or the expiry of the transitional period, whichever is earlier.

4. Year 3 shall be deemed to be the period commencing on 1 January 1999 and ending on 31 December 1999 or the expiry of the transitional period, whichever is earlier.

5. For purposes of computation—

(a) “R” is the fair rent prevailing before the repeal of the Act; and

(b) “M” is the monthly rentable value of the premises fixed at one-twelfth of the annual value of the property as assessed by the local authority in which the property is situated, represented by the following formula:

$$M = \frac{1}{12} \times \frac{\text{(amount of annual rate payable for the year)}}{\text{(percentage of the annual rate as assessed by the local Authority for the year)}}$$

Illustration

1. If the prevailing fair rent before the repeal of the Act is RM50, then $R = \text{RM}50$
2. If the annual rate payable for the year is RM108 and the percentage of the annual rate is 6 per centum per annum,

$$\begin{aligned} \text{then } M &= 1/12 \times (108/6\%) \\ &= 1/12 \times 1,800 \\ &= \text{RM}150 \end{aligned}$$

3. Therefore $M - R = \text{RM}(150 - 50) = \text{RM}100$
4. The monthly rental to be paid by the tenant to the landlord on the gradated increase based on paragraphs 1, 2 and 3 will be—

$$\begin{aligned} (a) \text{ Year 1} &= 50 + (1/4 \times 100) \\ &= 50 + 25 \\ &= \text{RM}75 \end{aligned}$$

$$\begin{aligned} (b) \text{ Year 2} &= 50 + (1/2 \times 100) \\ &= 50 + 50 \\ &= \text{RM}100 \end{aligned}$$

$$\begin{aligned} (c) \text{ Year 3} &= 50 + (3/4 \times 100) \\ &= 50 + 75 \\ &= \text{RM}125 \end{aligned}$$

LAWS OF MALAYSIA**Act 572****CONTROL OF RENT (REPEAL) ACT 1997****LIST OF AMENDMENTS**

Amending law

Short Title

In force from

—NIL—

LAWS OF MALAYSIA**Act 572****CONTROL OF RENT (REPEAL) ACT 1997**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
—NIL—		
