

# LEMBAGA PEMBANGUNAN LABUAN BILL 1991

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"General Manager" means the General Manager appointed under subsection 12(1) and includes any officer directed under subsection 12(5) to perform the duties of the General Manager;

"Kawasan Lembaga Pembangunan Labuan" means the area or areas determined by the Minister in accordance with section 9;

"Lembaga" means the Lembaga Pembangunan Labuan established under section 3;

"Minister" means the Minister of Finance.

## PART II

### THE LEMBAGA

The  
Lembaga.

3. There is hereby established a body corporate by the name of "Lembaga Pembangunan Labuan" with perpetual succession and a common seal, which may sue and be sued in its name and subject to and for the purposes of this Act, may enter into contracts and may acquire, purchase, take, hold and enjoy movable and immovable property of every description and may convey, assign, surrender, yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with, any movable or immovable property or any interest therein vested in the Lembaga upon such terms as it deems fit.

Functions of  
the Lembaga

4. (1) The functions of the Lembaga shall be—

- (a) to promote and stimulate the Kawasan Lembaga Pembangunan Labuan as an international offshore financial centre, tourist destination and duty free area;
- (b) to promote, stimulate, facilitate and undertake economic and social development in the Kawasan Lembaga Pembangunan Labuan;

- (c) to promote, stimulate, facilitate and undertake commercial development, the development of tourism and infrastructure as well as residential, agricultural, and industrial development in the Kawasan Lembaga Pembangunan Labuan; and
- (d) to co-ordinate the performance, in the Kawasan Lembaga Pembangunan Labuan, of the activities mentioned in paragraphs (a), (b) and (c).

(2) The Lembaga shall have power to do all things expedient or reasonably necessary for, or incidental to, the performance of its functions and, in particular, but without prejudice to the generality of the foregoing—

- (a) to carry on all activities, particularly activities which are commercial or industrial in nature, activities relating to tourism and activities of research and training, the carrying on whereof appears to it to be requisite, advantageous or convenient for or in connection with the performance of its functions;
- (b) to initiate preliminary studies of possible development and redevelopment areas and make preliminary plans outlining development or redevelopment activities and preliminary surveys to determine if the undertaking and carrying out of development or redevelopment projects are feasible;
- (c) to co-operate with or act as agent or managing agent of, or otherwise act in association with or on behalf of, the Federal Government, any public authority, any company or corporation, or any other body or person;
- (d) to promote and coordinate the carrying on of the activities mentioned in paragraphs (a) and (b) by the Federal Government, any public authority, any company or corporation, or any other body or person;

- (e) with the approval of the Minister, to establish or expand, or promote the establishment or expansion of, companies, corporations or other bodies to carry on any of the activities mentioned in paragraphs (a) and (b) either under the control or partial control of the Lembaga or independently;
- (f) to give assistance to any public authority, any company or corporation, or any other body or person, appearing to the Lembaga to have facilities for the carrying on of any of the activities mentioned in paragraphs (a) and (b), including, with the approval of the Minister, financial assistance by the taking up of share or loan capital or by loan or otherwise;
- (g) with the approval of the Minister, to underwrite or otherwise acquire any stock and shares in any public or private company, and to dispose of the same on such terms and conditions as the Lembaga may, with the approval of the Minister, determine;
- (h) to require government departments and governmental and non-governmental agencies engaged in carrying out, or intending to carry out, development in the Kawasan Lembaga Pembangunan Labuan to submit reports, containing such particulars and information as may be specified by the Lembaga, regarding their activities or proposed activities;
- (i) with the approval of the Minister, to dispose of capital assets and to use the proceeds from such disposal as directed by the Minister;
- (j) to appoint such agents as it may deem fit for the purpose of performing its functions;
- (k) to impose fees or any other charges it deems fit for giving effect to any of its functions or powers;

- (l) to regulate, co-ordinate and undertake development, including the development of infrastructure, in the Kawasan Lembaga Pembangunan Labuan; and
- (m) to do such other things as it deems fit to enable it to carry out its functions and powers effectively.

(3) Subject to section 8, it shall be the responsibility of the Lembaga in performing its functions under this Act to ensure that the functions are performed in such manner as shall be in furtherance of the policy of the Federal Government for the time being in force and in particular the policy relating to the development of an international offshore financial centre and the development of investment, tourism and foreign exchange in the Kawasan Lembaga Pembangunan Labuan.

5. (1) The Lembaga shall consist of the following members:

Membership  
of the  
Lembaga.

- (a) a Chairman; and
- (b) five other members,

who shall be appointed by the Minister.

(2) The provisions of the First Schedule shall apply to the Lembaga,

6. The Public Authorities Protection Act 1948 shall apply to any action, suit, prosecution or proceedings against the Lembaga or against any member, officer, servant or agent of the Lembaga in respect of any act, neglect or default done or committed by him in such capacity.

Public  
Authorities  
Protection  
Act 1948.  
*Act 198.*

7. All members, officers and servants of the Lembaga, while discharging their duties as such members, officers and servants, shall be deemed to be public servants within the meaning of the Penal Code.

Public  
servants.  
  
*F.M.S.  
Cap. 45*

Power of the Minister to give directions. 8. The Lembaga shall be responsible to the Minister, and the Minister may from time to time give directions not inconsistent with the provisions of this Act and the Lembaga shall, as soon as possible, give effect to all such directions.

The Kawasan Lembaga Pembangunan Labuan. 9. (1) For the purposes of this Act, the Minister may from time to time determine by notification in the *Gazette* the area or areas within which the Lembaga shall perform its functions under this Act and such area or areas shall be known as the "Kawasan Lembaga Pembangunan Labuan".

(2) Notwithstanding any other written law, it shall be the responsibility of the Lembaga to perform, in the Kawasan Lembaga Pembangunan Labuan, the functions provided by this Act.

Returns, reports, accounts and information. 10. (1) The Lembaga shall furnish to the Minister, and such public authority as may be directed by the Minister, such returns, reports, accounts and information with respect to its property and activities as the Minister may from time require or direct.

(2) Without prejudice to the generality of the provisions of subsection (1), the Lembaga shall, as soon as practicable after the end of each financial year, cause to be made and transmitted to the Minister and, if so directed by the Minister, to any other public authority a report dealing with the activities of the Lembaga during the preceding financial year and the report shall be in such form and shall contain such information relating to the proceedings and policy of the Lembaga as the Minister may from time to time specify.

### PART III

#### CHAIRMAN, OFFICERS, SERYANTS

The Chairman. 11. (1) Without prejudice to the other provisions of this Act, the Chairman shall perform such duties as the Minister may, from time to time, determine.

(2) The Lembaga may, with the approval of the Minister, delegate to the Chairman all or any of the functions vested in or imposed on the Lembaga by this Act and any function, power or duty so delegated may be performed, exercised or discharged by the Chairman in the name and on behalf of the Lembaga.

(3) Every delegation under subsection (2) shall be published in the *Gazette*.

**12.** (1) The Lembaga may, with the approval of the Minister, appoint a principal executive officer, designated as "General Manager", on such terms and conditions as it may think desirable and vest him with such powers and impose upon him such duties as may be determined by the Lembaga.

The General  
Manager.

(2) The General Manager shall be responsible for—

- (a) the preparation of programmes, schemes and projects for the consideration of the Lembaga;
- (b) the execution of all programmes, schemes and projects of the Lembaga; and
- (c) the carrying out of the decisions of the Lembaga and the directions of the Chairman.

(3) The General Manager shall have general control of the other officers and servants of the Lembaga.

(4) The General Manager shall perform such further duties as the Lembaga may from time to time direct.

(5) If the General Manager is temporarily absent from Malaysia or is temporarily incapacitated through illness or for any other sufficient reason from the performance of his duties, the Lembaga may direct any other officer to perform his duties during such temporary absence or incapacity.

Appointment  
of officers  
and servants  
of the  
Lembaga.

13. (1) Subject to any regulations made under section 14. the Lembaga may appoint on such terms and conditions as it may think desirable such officers and servants as may be necessary for carrying out the purposes of this Act.

(2) No person shall be eligible for employment as an officer or servant of the Lembaga if he has, directly or indirectly, by himself or his partner, any share or interest in any contract or proposed contract with, for or on behalf of the Lembaga.

Regulations  
with respect  
to conditions  
of service.

14. The Lembaga may from time to time, with the approval of the Minister, make regulations with respect to the discipline of its officers and servants.

Regulations  
with respect  
to discipline.

15. (1) The Lembaga may from time to time, with the approval of the Minister, make regulations with respect to the conditions of service of its officers and servants.

(2) The regulations made under this section may include provisions for—

(a) the interdiction with reduction in salary or in other remuneration; or

(b) the suspension without salary or other remuneration,

of an officer or servant of the Lembaga during the pendency of disciplinary proceedings against him.

(3) The regulations made under this section shall create such disciplinary offences and provide for such disciplinary punishments as the Lembaga may deem appropriate, and the punishments so provided may extend to dismissal or reduction in rank.

(4) The regulations made under this section shall, in prescribing the procedure for disciplinary proceedings, provide for an opportunity for representations to be made by the person against whom the disciplinary proceedings are taken before a decision is arrived at by the Lembaga on the disciplinary charge laid against such person.

LEMBAGA PEMBANGUNAN LABUAN []

PART IV

FINANCE

16. (1) There is hereby established, for the purposes of The Fund. this Act, a fund to be administered and controlled by the Lembaga.

(2) The Fund shall consist of—

- (a) such sums as may be provided from time to time for the purposes of this Act by Parliament;
- (b) such sums as may be paid from time to time to the Lembaga from loans made by Lembaga;
- (c) moneys earned by the operation of any project, scheme or enterprise financed from the Fund;
- (d) moneys earned or arising from any property, investments, mortgages, charges or debentures acquired by or vested in the Lembaga;
- (e) any property, investment, mortgages, charges or debentures acquired by or vested in the Lembaga;
- (f) sums borrowed by the Lembaga for the purposes of meeting any of its obligations or discharging any of its duties; and
- (g) all other sums or property which may in any manner become payable to or vested in the Lembaga in respect of any matter incidental to its functions, powers and duties.

17. It shall be the duty of the Lembaga to conserve the Conservation of the Fund. Fund by so performing, exercising and discharging its functions, powers and duties under this Act as to secure that the total revenues of the Lembaga are, subject to any directions given by the Minister, sufficient to meet all sums properly chargeable to its revenue account, including depreciation and interest on capital, taking one year with another.

18. The Lembaga shall establish and manage a reserve Reserve fund. fund within the Fund.

Expenditure  
to be charged  
on the Fund.

**19.** The Fund shall be expended for the purpose of—

- (a) granting loans under section 26;
- (b) paying any expenditure lawfully incurred by the Lembaga, including survey and legal fees and costs and other fees and costs, and the remuneration of officers and servants appointed and employed by the Lembaga, including superannuation allowance, pensions or gratuities;
- (c) paying any other expenses, costs or expenditure properly incurred or accepted by the Lembaga in the performance of its functions or the exercise of its powers under section 4;
- (d) purchasing or hiring plant, equipment, machinery, stores and any other materials, acquiring land and erecting buildings, and carrying out any other works and undertakings in the performance of its functions or the exercise of its powers under section 4;
- (e) repaying any moneys borrowed under this Act and the interest due thereon; and
- (f) generally, paying any expenses for carrying into effect the provisions of this Act.

Expenditure  
and  
preparation  
of estimates.

**20.** (1) The expenditure of the Lembaga up to such amount as may be authorised by the Minister for any one year shall be defrayed out of the Fund.

(2) Before the beginning of September of each year, the Lembaga shall submit to the Minister an estimate of the expenditure (including the expenditure for development projects) for the following year in such form and containing such particulars as the Minister may direct, and the Minister shall, before the beginning of the following year, notify the Lembaga of the amount authorised for expenditure generally or of the amounts authorised for each description of expenditure.

;

(3) The Lembaga may at any time submit to the Minister a supplementary estimate for any one year and the Minister may allow the whole or any part of the additional expenditure included therein.

(4) The Minister may direct the Lembaga to submit a copy of the estimate, or supplementary estimate, as the case may be, to such other public authority as may be specified in the direction.

21. The provisions of the Statutory Bodies (Accounts and Annual Reports) Act 1980 shall apply to the Lembaga and any corporation established under this Act.

Statutory  
Bodies  
(Accounts and  
Annual  
Reports)  
Act 1980.  
Act 240.

## PART V

### OTHER POWERS AND FUNCTIONS OF THE LEMBAGA

22. (1) The Lembaga shall have jurisdiction over the following matters in the Kawasan Lembaga Pembangunan Labuan:

Jurisdiction  
of the  
Lembaga.

- (a) notwithstanding any law relating to town planning applicable in the Kawasan Lembaga Pembangunan Labuan, the power to regulate, approve or control all buildings and building operations and the repair and removal of ruinous and dangerous buildings, including the power to prohibit the erection of a building of a particular class, design or appearance in particular districts, localities or streets or portions of streets;
- (b) the preparation, undertaking and control of schemes for improved building layout and settlement;
- (c) the power to license and control—
  - (i) lodging houses and hotels;
  - (ii) restaurants, cook shops, eating shops, coffee shops, food stalls and bakeries; and
  - (iii) laundries and places for washing clothes;

- (d) the establishment, erection, maintenance or control of markets and buildings or portions of such buildings and stalls therein;
- (e) the establishment, control and management of recreation grounds, open spaces and parks;
- (f) the provision of any apparatus for games or recreation in respect of any public playing grounds, parks, squares and recreation grounds under the control of the Lembaga, the power to permit any person, club or body to provide any such apparatus on such terms as the Lembaga may decide, and the establishment, maintenance and control of refreshment rooms, cafes and restaurants in any such places and the power to let any such place or any building, structure or apparatus established or provided in connection therewith to any person or club or other body of persons; and
- (g) the promotion of arts, crafts, recreation, sports and the welfare of the inhabitants of the Kawasan Lembaga Pembangunan Labuan.

(2) The Labuan Municipal Council shall, on a date to be appointed by the Minister by notification in the *Gazette*, cease to have jurisdiction over any of the matters specified in subsection (1) in the Kawasan Lembaga Pembangunan Labuan.

(3) Notwithstanding subsection (2), the Minister may, by order to be published in the *Gazette*, require the Labuan Municipal Council to exercise such powers or discharge such duties as the Minister may specify in such order in respect of any of the matters specified in subsection (1).

(4) Any by-laws in force in the Kawasan Lembaga Pembangunan Labuan immediately before the coming into force of subsection (2) in respect of any of the matters specified in subsection (1) shall continue to be in force in such Kawasan and may be amended, replaced or revoked by the Lembaga under the provisions of the

Local Government Ordinance of Sabah in force in the Federal Territory of Labuan as modified by the Federal Territory of Labuan (Modification of Local Government Ordinance) Order 1984 as if the Lembaga was the Authority within the meaning of that Ordinance as so modified, and the authority for granting any licence or permission under any of such by-laws and for suspending, cancelling or renewing such licence or permission shall vest in the Lembaga.

*Sabah Ord  
11 of 1961*

*P.U. (A)  
169184*

(5) For the purpose of subsection (4), references in any of the by-laws referred to in that subsection to the "Labuan Municipal Council" or to the "Council" shall be construed as references to the Lembaga.

(6) Where there is any dispute as to whether a particular matter is within the jurisdiction of the Lembaga or the Labuan Municipal Council, such dispute shall be referred to the Minister whose decision shall be final and shall not be questioned in any court.

23. (1) The Lembaga may from time to time, with the approval of the Minister, borrow, at such rate of interest and for such period and upon such terms as to the time and method of repayment and otherwise as the Minister may approve, any sums required by the Lembaga for meeting any of its obligations or discharging any of its duties.

*Power to  
borrow.*

(2) The Lembaga may from time to time, with the approval of the Minister, borrow money by the issue of bonds, debentures or stock of such class and value and upon such terms as it may, with the approval of the Minister, deem expedient, for all or any of the following purposes:

- (a) the provision of working capital;
- (b) the performance of the functions, the exercise of the powers and the discharge of the duties of the Lembaga under this Act;
- (c) the performance of such additional functions as may be undertaken by the Lembaga under this Act;

(d) the redemption of any shares or stock which it is required or entitled to redeem; and

(e) any other expenditure properly chargeable to capital account.

Investment. 24. The assets of the Lembaga shall, in so far as they are not required to be expended by the Lembaga under this Act, be invested in such manner as the Minister may approve.

Power to employ. 25. The Lembaga may employ and pay agents and technical advisers, including advocates and solicitors, bankers, stockbrokers, surveyors, valuers and other persons, to transact any business or to do any act required to be transacted or done in the performance of its functions, the exercise of its powers or the discharge of its duties or for the better carrying into effect the purposes of this Act.

Power to grant loans. 25. In the performance of its functions, the exercise of its powers or the discharge of its duties the Lembaga may, with the approval of the Minister, grant loans, and such loans may be granted subject to such terms and conditions as the Lembaga may, with the approval of the Minister, deem fit to impose in particular cases.

Power to establish corporations 27. (1) The Lembaga may from time to time, with the approval of the Minister, by order published in the *Gazette*, establish a corporation, by such name as the Lembaga may think fit, to carry out and have the charge, conduct and management of any project, scheme or enterprise which has been planned or undertaken by the Lembaga in the performance of its functions, the exercise of its powers or the discharge of its duties.

(2) The provisions of the Second Schedule shall apply to every corporation established by the Lembaga under subsection (1).

Acquisition of land. 28. (1) When any immovable property, not being State land, is needed to be acquired by the Lembaga for the purposes of this Act, such property may be acquired in

accordance with the provisions of any written law for the time being in force in the Federal Territory of Labuan relating to the acquisition of land for a public purpose, and any declaration required by any such written law that such land is so needed may be made notwithstanding that compensation is to be paid by the Lembaga, and such declaration shall have effect as if it were a declaration that such land is needed for a public purpose in accordance with such written law.

(2) All expenses and compensation payable for the acquisition of any immovable property under this section shall be paid by the Lembaga.

(3) Where any immovable property has been acquired under this section, the Lembaga shall extract the necessary documents of title in respect of such property and shall pay any rent to which such property may be subject.

## PART VI

### GENERAL

**29.** (1) Except for any of the purposes of this Act or for the purpose of any civil or criminal proceedings under any written law, no member, officer or servant of the Lembaga shall 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.

Obligation of  
secrecy.

(2) Any person contravening subsection (1) shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one thousand ringgit or to both.

**30.** (1) The Lembaga may, with the approval of the Minister, make such regulations as may be expedient or necessary for the better carrying out of the provisions of this Act.

Power to  
make  
regulations.

(2) Without prejudice to the generality of subsection (1), regulations may be made for—

- (a) regulating the development of land in the Kawasan Lembaga Pembangunan Labuan and generally providing for the orderly development of land in the Kawasan Lembaga Pembangunan Labuan;
- (b) prescribing the manner in which documents, cheques and instruments of any description shall be signed or executed on behalf of the Lembaga;
- (c) prescribing the responsibilities and control of officers and servants of the Lembaga;
- (d) imposing fees in such cases as may be determined by the Lembaga;
- (e) providing for such matters in connection with shares, stock, bonds, debentures or debenture stock issued under this Act as may appear necessary or expedient to the Lembaga, and, in particular, for regulating the method of issue, transfer, redemption or other dealing with such shares, stock, bond, debentures or debenture stock;
- (f) prescribing the manner in which and the terms and conditions on which loans may be granted by the Lembaga under section 26; and
- (g) providing generally for the performance of the functions, the exercise of the powers and the discharge of the duties of the Lembaga under the provisions of this Act.

(3) Regulations under this section—

- (a) may provide that any act or omission in contravention of any provision thereof shall be an offence; and
- (b) may provide for the imposition of penalties, which shall not exceed one thousand ringgit, for such offence.

31. All things done by any person or authority on behalf of the Lembaga in the preparation of and towards the proper implementation of any of the provisions of this Act, and any expenditure incurred in relation thereto, in anticipation of the enactment of this Act shall be deemed to have been authorised by this Act, and all rights acquired or obligations incurred on behalf of the Lembaga from anything so done shall, upon the coming into force of this Act, be deemed to be the rights and obligations of the Lembaga.

Things done in anticipation of the enactment of this Act.

32. (1) The Labuan Municipal Council Instrument 1983 shall apply in the Kawasan Lembaga Pembangunan Labuan subject to the following modifications:

Modification.  
*Sabah No*  
*S34 of 1983.*

(a) in paragraph 15(a), for the words "paragraphs (23), (43), (46), (49), (50), (51)" there shall be substituted the words "paragraphs (43), (46)(iv), (46)(v), (46)(vi), (46)(vii), (46)(viii), (49), (51)"; and

(b) in paragraph 15(b), the symbols and figures "(34)", "(53)", "(59)", and "(61)" shall be deleted.

(2) Subsection (1) shall come into force on the date appointed by the Minister for the coming into force of subsection 22(2).

33. (1) The Town and Country Planning Ordinance of Sabah in force in the Federal Territory of Labuan as modified by the Federal Territory of Labuan (Modification of Town and Country Planning Ordinance) Order 1985 shall cease to apply in the Kawasan Lembaga Pembangunan Labuan on the date appointed by the Minister for the coming into force of subsection 22(2).

Non-application.  
*Sabah Cap,*  
*141.*

*P.U. (A)*  
*353/85.*

(2) Unless otherwise directed by the Minister by order to be published in the *Gazette*, any approved scheme in operation in respect of any area in the Kawasan Lembaga Pembangunan Labuan immediately before the date referred to in subsection (1) shall continue to be in operation, with such modifications as may be specified by the Minister in an order made under subsection (4).

(3) Notwithstanding subsection (1), the Minister may, by order to be published in the *Gazette*, direct that such provisions of the Ordinance referred to in subsection (1) as the Minister may specify in such order shall apply in the Kawasan Lembaga Pembangunan Labuan.

(4) The Minister may, by order to be published in the *Gazette*, make such modifications as may be necessary or expedient to the Ordinance referred to in subsection (1), or to an approved scheme referred to in subsection (2), in its application in the Kawasan Lembaga Pembangunan Labuan in consequence of the making of an order under subsection (3) or in consequence of the continued operation of an approved scheme under subsection (2), as the case may be.

#### FIRST SCHEDULE

##### (Section 5(2))

Appointment  
revocation and  
resignation.

1. (1) Subject to such conditions as may be specified in his instrument of appointment, a member of the Lembaga shall hold office for a term not exceeding three years and is eligible for reappointment.

(2) The appointment of any member may at any time be revoked by the Minister without assigning any reason therefor.

(3) A member may at any time resign his office by letter addressed to the Minister.

(4) Every member shall devote such time to the business of the Lembaga as is necessary to discharge his duties effectively.

Vacation of  
office.

2. (1) The office of a member of the Lembaga shall be vacated—

(a) if he dies;

(b) 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 any law relating to corruption or under section 29; or

(iii) any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years;

- (c) if he becomes bankrupt;
- (d) if he is of unsound mind or is otherwise incapable of discharging his duties;
- (e) if he absents himself from three consecutive meetings of the Lembaga without leave of the Lembaga;
- (f) if his resignation is accepted by the Minister; or
- (g) if his appointment is revoked by the Minister.

(2) Where any person ceases to be a member by reason of any of the provisions of this Act, another person shall be appointed in his place in accordance with the provisions applying.

3. There may be paid to members of the Lembaga or any other person (not being an officer or servant of the Lembaga who is within the ambit of the provisions of this Act relating to the terms and conditions of service applicable to his case) such remuneration or allowance as the Minister may determine.

Remuneration or allowance

4. (1) The Lembaga shall meet at least once in every two months.

Meetings.

(2) The quorum of the Lembaga shall be three.

(3) Subject to the provisions of this Act, the Lembaga shall determine its own procedure.

5. The Lembaga may invite or request any person (not being a member of the Lembaga) to attend any meeting or deliberation of the Lembaga for the purpose of advising it on any matter under discussion, but any person so attending shall have no right to vote at the said meeting or deliberation.

Lembaga may invite others to meetings.

6. (1) The Lembaga shall have a common seal which shall bear such device as the Lembaga shall approve and such seal may from time to time be broken, changed, altered or made anew as the Lembaga may think fit.

Common seal

(2) Until a seal is provided by the Lembaga, a stamp bearing the words "Lembaga Pembangunan Labuan" may be used and shall be deemed to be the common seal of the Lembaga.

(3) The common seal shall be kept in the custody of the Chairman or such other person as may be authorised by the Lembaga, and shall be authenticated by the Chairman or such authorised person or by any officer authorised by either of them in writing; and all deeds, documents and other instruments purporting to be sealed with the said seal, authenticated as aforesaid, shall, until the contrary is proved, be deemed to have been validly executed:

Provided that 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 Lembaga; and any such document or instrument may be executed on behalf of the Lembaga by any officer or servant of the Lembaga generally or specially authorised by the Lembaga in that behalf.

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

Disclosure of  
interest

7. A member of the Lembaga having, directly or indirectly, by himself or his partner, any interest in any company or undertaking with which the Lembaga proposes to make any contract or having any interest in any such contract or in any matter under discussion by the Lembaga shall disclose to the Lembaga the fact of his interest and the nature thereof, and such disclosure shall be recorded in the minutes of the Lembaga and, unless specifically authorised thereto by the Chairman, such member shall take no part in any deliberation or decision of the Lembaga relating to the contract or matter.

Minutes

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

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

Validity of acts  
and proceedings,

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

- (a) any vacancy in the membership of, or any defect in the constitution of, the Lembaga;
- (b) the contravention by any member of the Lembaga of the provisions of paragraph 7; or
- (c) any omission, defect or irregularity not affecting the merits of the case.

## SECOND SCHEDULE

(Section 27(2))

Power of the  
Lembaga to make  
regulations in  
respect of  
corporation.

1. The Lembaga shall, on or before the date on which any corporation is established under section 27, make regulations in respect of such corporation defining—

- (a) the purposes and objects for which the corporation is established;
- (b) the rights, powers, duties and functions of such corporation;

- (c) the system of management thereof; and
- (d) the relations between such corporation and the Lembaga and the Lembaga's rights of control over such corporation.

2. Nothing in paragraph 1 shall be deemed to authorise the Lembaga to make regulations to establish any corporation for any purpose or object more extensive in scope than the purposes or objects for which the Lembaga has been constituted or to confer on any corporation any right, duty, power or function which is not within the rights, duties, powers or functions of the Lembaga under this Act. Limatation on power to establish corporation
3. Subject to the provisions of this Act and of any regulations made under section 30, any regulations made under paragraph 1 shall be binding on the corporation in respect of which they were made and shall have effect for all purposes as if they had been enacted in this Act. Effect of regulations.
4. The Lembaga may at any time amend, revoke or add to any regulations made under paragraph 1 in respect of any corporation. Amendment of regulations
5. The Lembaga shall keep a register in the prescribed form of all corporations established by it under section 27 and such register, together with copies of all regulations made under paragraphs 1 and 4, shall be open to public inspection at such place or places and at such time as it may prescribe. Register of corporations
6. (1) The Lembaga may, with the approval of the Minister, by order published in the *Gazette*, direct that any corporation established by it be wound up and dissolved. Winding up
- (2) Upon the dissolution of any corporation under this paragraph the assets of the corporation after discharging all its liabilities shall be transferred to and shall vest in the Lembaga.
- (3) The winding up of a corporation under this paragraph shall be conducted in such manner as the Lembaga may prescribe.
7. Every corporation established under section 27 shall be a body corporate by such name as the Lembaga shali give to it and shall have perpetual succession, and a common seal and may sue and be sued in such name and, for the purpose of carrying into effect the project, schemc or enterprise for which it has been established, may enter into contracts and may hold and deal in or with any immovable or movable property and may do all other matters and things incidental or appertaining to a body corporate not inconsistent with the provisions of this Act and subject to such restrictions or limitations as may be prescribed by the Lembaga in each case. Corporations to be bodies corporate.

Common seal of corporations.

8. (1) Every corporation shall have a common seal which shall bear such device as the corporation, with the approval of the Lembaga, may approve and such seal may from time to time be broken, changed, altered or made anew as the corporation, with the approval of the Lembaga, may think fit.

(2) Until a seal is provided by the corporation, a stamp bearing the name of the corporation encircling the letters "LPL" may be used and shall be deemed to be the common seal of the corporation.

(3) The common seal shall be kept in the custody of such person as may be authorised by the corporation, and shall be authenticated by such person; and all deeds, documents and other instruments purporting to be sealed with the said seal, authenticated as aforesaid, shall, until the contrary is proved, be deemed to have been validly executed:

Provided that 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 corporation; and any such document or instrument may be executed on behalf of the corporation by any officer or servant of the corporation generally or specially authorised by the corporation in that behalf.

(4) The common seal of every corporation shall be official!y and judicially noticed.

#### EXPLANATORY STATEMENT

This Bill seeks to create a body corporate to be known as the "Lembaga Pembangunan Labuan" which will be charged with the responsibility of promoting and stimulating the development of the Federal Territory of Labuan, particularly as an international offshore financial centre, tourist destination and duty free area.

2. Part I contains preliminary matters. *Clause 1* contains the short title and provisions on the commencement of the proposed Act. *Clause 2* contains the definitions of several lermis used in this Bill.

3. Part II contains provisions relating to the Lembaga Pembangunan Labuan. *Clause 3* provides for the establishment of the Lembaga, while *clause 4* deals with its functions and powers. *Clause 5* contains provisions on the membership of the Lembaga. *Clause 8* seeks to empower the Minister to give directions to the Lembaga. *Clause 9* contains provisions which empower the Minister to determine the area within which the Lembaga will perform its functions. *Clause 10* requires the Lembaga to furnish returns, reports, accounts and information to the Minister and such other public authority as directed by the Minister.

4. Part III of the Bill contains provisions on the Chairman, General Manager and officers and servants of the Lembaga. Clause 11 deals with the duties of the Chairman of the Lembaga. Clause 12 contains provisions for the appointment of a General Manager while clause 13 seeks to empower the Lembaga to appoint its officers and servants. Clauses 14 and 75 seek to empower the Lembaga, with the approval of the Minister, to make regulations on the conditions of service and the discipline of its officers and servants.

5. Part IV contains financial provisions. Clause 16 provides for the establishment of a Fund and clause 17 seeks to impose upon the Lembaga the duty of conserving such Fund. Clause 18 seeks to require the Lembaga to establish a reserve fund within the Fund. Clause 19 specifies the expenditure which may be charged on the Fund.

6. Part V deals with the other powers and functions of the Lembaga. It seeks, inter alia, to allow the Lembaga to borrow and lend money and to invest assets which are not required to be expended. The Lembaga is also allowed, under clause 27, to establish corporations.

7. Part VI contains general provisions. Among the provisions proposed in this Part are the imposition of the obligation of secrecy on the members, officers and servants of the Lembaga and the power of the Lembaga to make regulations.

#### FINANCIAL IMPLICATIONS

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

[PN. (U<sup>2</sup>) 1681.]