



LAWS OF MALAYSIA

Act 105

**MALAYSIAN TIMBER INDUSTRY BOARD
(INCORPORATION) ACT, 1973**

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(INCORPORATION) ACT, 1973**

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LAWS OF MALAYSIA

Act 105

**MALAYSIAN TIMBER INDUSTRY BOARD
(INCORPORATION) ACT, 1973**

An Act to repeal the Malaysian Timber Export Industry Board (Incorporation) Act, 1966 and dissolve the Malaysian Timber Export Industry Board, to establish the Malaysian Timber Industry Board and provide for matters connected therewith, and to make better provisions respecting the Malaysian timber industry.

BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang Dipertuan Agung 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

1. (1) This Act may be cited as the Malaysian Timber Industry Board (Incorporation) Act, 1973 and shall apply throughout Malaysia.

Short title,
commence-
ment
and
application.

(2) Subject to subsection (3), this Act shall come into operation on a date to be appointed by the Minister by notification in the *Gazette*.

(3) The Minister may appoint different dates for the coming into operation of this Act, or of different provisions of this Act, in West Malaysia, the State of Sabah and the State of Sarawak respectively.

2. In this Act unless the context otherwise requires—

Interpreta-
tion.

“appointed day” means the day on which this Act, or, if different dates are appointed for the coming into operation of different provisions of this Act, the day on which Part VI, comes into operation;

“Board” means the Malaysian Timber Industry Board established under section 3;

“exporter” means a person who exports timber;

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the Minister appoints the 1st June, 1973 as the date of the coming into operation in West Malaysia of all the provisions of the Act except :

Section 13(2), (3), (4) that applies to packers and manufacturers, (5) and (6) in force in West Malaysia on 1st June, 1975.

P.U(B) 120/75

- (iii) that portion of subsection (4) that applies to packers and manufacturers;**
- (iv) subsection (5); and**
- (v) subsection (6);**
- and**
- (b) section 21.**

Short title, commencement and application.

State of Sarawak respectively.

2. In this Act unless the context otherwise requires—

“appointed day” means the day on which this Act, or, if different dates are appointed for the coming into operation of different provisions of this Act, the day on which Part VI, comes into operation;

“Board” means the Malaysian Timber Industry Board established under section 3;

“exporter” means a person who exports timber;

Interpretation.

LAW OF MALAYSIA

Act 105

MALAYSIAN TIMBER INDUSTRY BOARD
(INCORPORATION) ACT, 1973

An Act to repeal the Malaysian Timber Export Industry Board (Incorporation) Act, 1966 and dissolve the Malaysian Timber Export Industry Board, to establish the Malaysian Timber Industry Board and provide for matters connected therewith, and to make better provi-

the Minister appoints the 1st June, 1973 as the date of the coming into operation in West Malaysia of all the provisions of the Act except :

- (a) the following provisions of section 13 -
 - (i) subsection (2);
 - (ii) subsection (3);
 - (iii) that portion of subsection (4) that applies to packers and manufacturers;
 - (iv) subsection (5); and
 - (v) subsection (6);
- and
- (b) section 21.

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State of Sarawak respectively.

2. In this Act unless the context otherwise requires—

“appointed day” means the day on which this Act, or, if different dates are appointed for the coming into operation of different provisions of this Act, the day on which Part VI, comes into operation;

“Board” means the Malaysian Timber Industry Board established under section 3;

“exporter” means a person who exports timber;

Interpreta-
tion.

“Fund” means the Malaysian Timber Industry Board Fund established under section 19;

“grader” means a person who holds a valid certificate of competency in the grading of sawn timber, issued by the grading authority;

“grading authority” means, until otherwise declared by the Minister by notification in the *Gazette*, the Director-General of Forestry, West Malaysia in relation to West Malaysia, the Conservator of Forests, Sabah in relation to Sabah, and the Conservator of Forests, Sarawak in relation to Sarawak;

“jetty” means a yard from which timber may be directly removed for immediate shipment without having to be kept at another yard;

“jetty operator” means a person who operates a jetty;

“manufacturer” means a person who carries on the business of manufacturing, processing, seasoning or preserving timber;

“mill” means any building or factory used wholly or partly for the manufacture, processing, seasoning or preservation of timber;

“packer” means a person who carries on the business of packaging or bundling timber;

“recognized association” means an association, body or organization listed in the Third Schedule;

“registered grader” means a grader registered under this Act;

“supplier” means a person who supplies timber;

“timber” means the products, or any of the products, listed in the First Schedule;

“yard” means any area or place used for storing, packaging or bundling timber.

PART II

ESTABLISHMENT OF THE BOARD

Establishment of the Board.

3. (1) There shall be established a body corporate by the name of “Malaysian Timber Industry Board” which shall have perpetual succession and a common seal and power

to acquire and hold movable and immovable property and to dispose thereof or otherwise deal therewith, and which may sue and be sued in its corporate name.

(2) The Second Schedule shall apply to the Board.

4. (1) The Board shall consist of the following members—
- (a) a Chairman, to be appointed by the Minister;
 - (b) the Secretary-General of the Ministry for the time being responsible for the timber industry;
 - (c) the Director-General of Forestry, West Malaysia;
 - (d) a representative of one such other Ministry as the Minister may determine, to be appointed by the Minister after consulting the Ministry;
 - (e) two representatives of each of the States of Sabah and Sarawak, to be appointed by the Minister from among persons nominated by the respective States,
 - (f) one representative of each of not less than three such other States as the Minister may determine, to be appointed by the Minister from among persons nominated by the respective States;
 - (g) representatives of recognized associations to be appointed as provided in section 5; and
 - (h) not more than three persons to be appointed by the Minister to represent the interests of the timber industry that are not adequately covered under paragraph (g).

Composition of the Board.

(2) The terms and conditions of the appointment of the Chairman, and his remuneration, shall be determined by the Minister.

5. (1) Each recognized association is entitled to be represented on the Board by the number of persons shown against its name in the Third Schedule, to be appointed by the Minister.

Representative members.

(2) A person appointed under this section, to be known as a representative member, shall, unless he sooner resigns his membership or his appointment is sooner revoked, hold office for a period of two years from the date of his appointment, but shall be eligible for reappointment.

6. (1) Subject to subsection (2), the Minister may from time to time, after consulting the Board, amend the Third Schedule.

Amendment of Third Schedule.

(2) No association, body or organization shall be added to, or allowed to remain in, the Third Schedule unless its rules—

- (a) have been approved by the Minister;
- (b) contain nothing prejudicial to the general interests of the timber industry; and
- (c) permit the admission as its member of every person whom it is intended to represent and who applies for admission and undertakes to comply with its rules.

(3) If a recognized association amends its rules so as to affect its membership, it shall lodge a copy of the amendment with the Minister within fourteen days of the making thereof.

Alternate members.

7. (1) Subject to subsections (2), (3) and (4), every member of the Board may, with the approval of the Minister, nominate not more than two persons to be alternate members to attend in his place meetings of the Board that he is for any reason unable to attend.

(2) Only one alternate member may attend meetings of the Board at any one time in place of the nominating member.

(3) When attending meetings of the Board an alternate member shall for all purposes be deemed to be a member of the Board.

(4) An alternate member shall, unless he sooner resigns his membership or his nomination is sooner revoked, cease to be an alternate member when the nominating member ceases to be a member of the Board.

Temporary exercise of functions of Chairman.

8. (1) The Minister may appoint any member of the Board to exercise the functions of the Chairman during the period in which the Chairman is for any reason unable to exercise his functions or during the period of any vacancy in the office of the Chairman, and such member shall, during the period in which he is exercising the functions of the Chairman under this subsection, be deemed to be the Chairman.

(2) Until an appointment is made under subsection (1) or in default of such appointment, the Secretary-General of the Ministry for the time being responsible for the timber industry shall exercise the functions of and be deemed to be the Chairman.

(3) Should the Secretary-General of the Ministry for the time being responsible for the timber industry be for any reason unable to act under subsection (2), the Director-General of Forestry, West Malaysia shall exercise the functions of and be deemed to be the Chairman.

9. The Board may, on such terms and conditions as may be approved by the Minister, appoint such number of officers and servants, including Chief Quality Control Officers and Quality Control Officers, as the Board may deem desirable for the purposes of this Act.

Appoint-
ment
of officers
and
servants.

10. All members, officers and servants of the Board shall be deemed to be public servants within the meaning of the Penal Code applicable.

Public
servants.
*F.M.S.
Cap. 45.
Swk.
Cap. 57.
Sabah 3/59.*

11. The Board shall have a principal office in the Federation at such place as the Board may determine, and may establish such other branch offices as the Board may deem desirable.

Offices.

12. (1) The functions of the Board are—

Functions
and powers
of the
Board.

- (a) to regulate and control the trade in, and the marketing and distribution of, timber;
- (b) to promote and improve the trade in, and markets for, timber;
- (c) to encourage effective utilization of timber with emphasis on product diversification and to promote improvement and economy in the methods of exploiting and processing timber;
- (d) to provide technical advisory services required to assist in the development of existing timber industries and the establishment of new industries;
- (e) to assist the timber industries in the marketing of timber; and
- (f) to organize and assist in the consolidation of the small-scale timber industries and the closer integration of the activities of the timber industries generally, so as to achieve greater efficiency in, and secure a stronger base for, the timber industry as a whole.

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

- (a) to enter into such negotiations as the Board considers necessary for the promotion of the general interests of the timber industry and trade;
- (b) to undertake marketing of timber on behalf of the small-scale timber industries;
- (c) to set up and maintain such establishments as the Board considers necessary for the discharge of its functions; and
- (d) to appoint committees.

(3) The Board may from time to time, with the approval of the Minister, establish, by order published in the *Gazette*, a corporation by such name as may be specified in the order to carry out and have the charge, conduct and management on behalf of the Board of any project, scheme or enterprise that has been planned or undertaken by the Board in the discharge of its functions under this Act, and may in like manner cancel, vary or amend any such order.

(4) Every order made under subsection (3) shall make provision in respect of—

- (a) the constitution of the corporation;
- (b) the financing of the corporation;
- (c) the repayment of loans to the corporation; and
- (d) the accounts to be kept by the corporation and the audit of the accounts.

PART III

REGULATION OF THE TIMBER INDUSTRY

Prohibition and penalty. **13.** (1) No person shall export timber or carry on business as an exporter unless he is registered under this Act as an exporter.

(2) No person shall carry on business as a jetty operator unless he is registered under this Act as a jetty operator.

(3) No person shall carry on the business of grading timber unless he is a registered grader.

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

- (a) to enter into such negotiations as the Board considers necessary for the promotion of the general interests of the timber industry and trade;
- (b) to undertake marketing of timber on behalf of the small-scale timber industries;
- (c) to set up and maintain such establishments as the Board considers necessary for the discharge of its functions; and
- (d) to appoint committees.

(3) The Board may from time to time, with the approval of the Minister, establish, by order published in the *Gazette*, a corporation by such name as may be specified in the order to carry out and have the charge, conduct and management on behalf of the Board of any project, scheme or enterprise that has been planned or undertaken by the Board in the discharge of its functions under this Act, and may in like manner cancel, vary or amend any such order.

(4) Every order made under subsection (3) shall make provision in respect of—

- (a) the constitution of the corporation;
- (b) the financing of the corporation;
- (c) the repayment of loans to the corporation; and
- (d) the accounts to be kept by the corporation and the

"(5) The Board may, in discharging such of its functions in appropriate cases carry out commercial activities for gain or profit through companies which may, from time to time, be established under the Companies Act 1965 and such companies shall only be established after approval by the Minister with the concurrence of the Minister of Finance.

(6) The Minister may make such rules or regulations prescribing any activity or interest or prescribing the terms or conditions of any activity or interest of any member, officer or servant of the Board in relation to any corporation or company established under the provisions of subsections (3) and (5) respectively or to any other company, enterprise or undertaking and any omission or neglect to comply with any act done or attempted to be done contrary to the provisions of such rules or regulations is an offence against this Act and the offender is liable on conviction to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding five years or to both."

(2) Without prejudice to the generality of the provisions of subsection (1), the Authority 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 the Government of any State or any other public authority, a report dealing with the activities of the Authority during the preceding financial year and in such form and containing such information relating to the proceedings and policy of the Authority as the Minister may from time to time specify.

(3) The Minister shall cause a copy of every such report to be laid on the table of the Dewan Rakyat.

PART III

DIVISIONS, OFFICERS AND SERVANTS

13. (1) The Chairman shall be responsible for the issue of policy guidance or of elucidation of decisions of the Authority.

Chairman
to be
principal
managing
officer.

(2) The Chairman shall perform such other or further duties as the Minister may from time to time determine.

(3) If the Chairman is temporarily absent from Malaysia or temporarily incapacitated through illness or for any other sufficient reason from the performance of his duties, the Deputy Chairman shall perform his duties during such temporary absence or incapacity.

14. (1) The Authority may, with the approval of the Minister, employ and appoint a Director General to be the Chief Executive Officer on such terms and conditions and for such period as the Authority may determine.

Director
General
to be the
Chief
Executive
Officer.

(2) The Director General shall be responsible for the preparation of programmes, schemes or projects for the consideration of the Authority and for the execution of such programmes, schemes or projects and the direction of the Chairman.

(3) Subject to the directions of the Chairman, the Director General shall have administrative control of the officers and servants of the Authority.

(4) The Director General shall perform such other or further duties as the Authority or the Minister may from time to time determine or as the Chairman may from time to time direct.

in respect of his business a valid certificate of registration of business issued under any written law in force in Malaysia relating to the registration of businesses.

Register. 15. The Board shall keep or cause to be kept a register of exporters, suppliers, packers, manufacturers, jetty operators and registered graders in such manner as it may determine.

Power to refuse registration. 16. The Board may refuse to effect registration under section 14 if it is of the opinion that the applicant will be unable to comply with the conditions or restrictions that the Board may impose upon registration, or with the requirements of this Act or the rules or regulations thereunder.

Power to cancel or to refuse to renew registration. 17. (1) The Board may, if it is satisfied that any condition or restriction subject to which a registration was effected has not been complied with by the registered person or that the continuance of the registration would contravene this Act or the rules or regulations thereunder, cancel or refuse to renew the registration.

(2) If it appears to the Board that a registered person has contravened any provision of this Act or of the rules or regulations thereunder, the Board may call upon him, in such manner as may be prescribed, to show cause why his registration should not be cancelled.

(3) A person called upon to show cause under subsection (2)—

(a) shall be supplied by the Board with the particulars, in writing, of the alleged contravention; and

(b) may, if he so desires, be present at the hearing by the Board or be represented thereat by another person authorized by him in writing.

(4) If after the hearing the Board is of the opinion that the person called upon to show cause has failed to show cause, the Board may, notwithstanding any criminal action that may be brought against him, cancel his registration.

(5) A person whose registration has been cancelled or has, by a refusal by the Board, not been renewed—

(a) shall not be registered again for such period, not exceeding two years from the date of the cancellation or refusal to renew, as the Board shall determine at the time of the cancellation or refusal to renew; and

(b) shall, on being so required by the Board in writing, surrender to the Board his certificate of registration within such period as the Board may specify.

(6) Any person who wilfully fails to comply with the requirement of the Board under paragraph (b) of subsection (5) is guilty of an offence.

18. (1) If any person is aggrieved by the decision of the Board to cancel or refuse to effect or renew a registration under section 14, he may, within one month of the date when the decision was communicated to him, appeal to the Minister. Appeal.

(2) The decision of the Minister on an appeal under subsection (1) shall be final and shall not be questioned in any court of law.

(3) The Minister may make rules governing the procedure to be followed on appeals under this section and the fees payable therefor.

PART IV

FINANCE

19. (1) The Board shall establish and administer a fund to be known as "Malaysian Timber Industry Board Fund".

Malaysian
Timber
Industry
Board Fund.

(2) There shall be paid into the Fund—

(a) all monies collected, paid, borrowed or transferred under sections 18, 22 and 41;

(b) all monies collected or paid under section 20 other than those collected, levied or raised within the States of Sabah and Sarawak;

(c) all monies collected under the rules and regulations and specified therein as being payable into the Fund;

(d) such monies as may be provided from time to time by Parliament for such purpose or purposes as may be specified by Parliament;

(e) all sums contributed by the States of Sabah and Sarawak under section 21; and

(f) all monies belonging or otherwise payable to the Board.

(3) The Fund may be applied for—

(a) defraying such expenditure as the Board may incur in carrying out its functions; and

(b) lending to employees of the Board for the purpose of purchasing or building dwelling-houses or purchasing conveyances on such terms and conditions as may be prescribed.

"(c) lending to or providing capital for corporations or companies established or to be established under the provisions of subsection (3) and (5) respectively of section 12."

... may, after ... of Finance and the Board, make an order for the imposition, collection, variation or cancellation of a cess or cesses on the exportation of all or any of the timber products listed in the First Schedule.

Contribution by Sabah and Sarawak.

21. Each of the States of Sabah and Sarawak may from time to time contribute to the Fund such sum or sums as may be agreed between the Minister and the State.

Borrowing powers.

22. The Board may, upon such terms and conditions as may be approved by the Minister of Finance, borrow monies for the purpose of carrying out its functions.

Power to invest.

23. The Board may from time to time, with the approval of the Minister who shall act after consulting the Minister of Finance, invest the Fund or any part thereof, not being immediately required for meeting the Board's obligations or discharging its functions—

(a) in investments or securities authorized for the investment of trust funds by any written law for the time being in force; or

(b) in such other investments or securities as the Board may deem fit.

Annual estimates.

24. (1) The Chairman shall, not later than one month before the commencement of each financial year, lay before the Board an estimate of the revenue and expenditure, including capital expenditure, of the Board for the ensuing financial year in such detail and form as the Board may determine.

(2) The Chairman shall cause to be sent to every member of the Board a copy of the estimate not later than fourteen days prior to the date of the meeting at which the estimate is to be laid.

(b) lending to employees of the Board for the purpose of purchasing or building dwelling-houses or purchasing conveyances on such terms and conditions as may be prescribed.

(4) The Minister may direct the Board to keep a separate account in respect of monies provided by Parliament under paragraph (d) of subsection (2).

Levy on timber exported.

20. For the purposes of this Act the Minister may, after consulting the Minister of Finance and the Board, make an order for the imposition, collection, variation or cancellation of a cess or cesses on the exportation of all or any of the timber products listed in the First Schedule.

Contribution by Sabah and Sarawak.

21. Each of the States of Sabah and Sarawak may from time to time contribute to the Fund such sum or sums as may be agreed between the Minister and the State.

Borrowing powers.

22. The Board may, upon such terms and conditions as may be approved by the Minister of Finance, borrow monies for the purpose of carrying out its functions.

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23. The Board may from time to time, with the approval of the Minister who shall act after consulting the Minister of Finance, invest the Fund or any part thereof, not being immediately required for meeting the Board's obligations or discharging its functions—

(a) in investments or securities authorized for the investment of trust funds by any written law for the time being in force; or

(b) in such other investments or securities as the Board may deem fit.

Annual estimates.

24. (1) The Chairman shall, not later than one month before the commencement of each financial year, lay before the Board an estimate of the revenue and expenditure, including capital expenditure, of the Board for the ensuing financial year in such detail and form as the Board may determine.

(2) The Chairman shall cause to be sent to every member of the Board a copy of the estimate not later than fourteen days prior to the date of the meeting at which the estimate is to be laid.

25. (1) The Board shall keep or cause to be kept proper accounts and other records in respect of its operations and shall prepare statements of account in respect of each financial year.

Accounts and audit.

(2) The Board shall cause its accounts to be audited annually by the Auditor-General or any other auditor appointed by the Board with the approval of the Minister.

(3) After the end of each financial year, as soon as the accounts of the Board have been audited, the Board shall cause a copy of the statements of account to be transmitted to the Minister together with a copy of the observations made by the auditor on any statement of account or on the accounts of the Board.

(4) The Minister shall cause a copy of the statement and observations transmitted to him under subsection (3) to be laid on the table of each House of Parliament and published in the *Gazette*.

26. (1) The Board shall, not later than the thirtieth day of June of each year, cause to be made and transmitted to the Minister a report dealing with the activities of the Board during the preceding financial year and containing such information relating to the proceedings and policy of the Board as the Minister may from time to time direct.

Annual report.

(2) The Minister shall cause a copy of every report transmitted to him under subsection (1) to be laid on the table of each House of Parliament and published in the *Gazette*.

PART V

MISCELLANEOUS

27. (1) Subject to subsection (3), the Chairman or any officer of the Board so authorized in writing by the Chairman may enter any registered business premises of an exporter or any mill or yard and carry out such inspection and examination as he may consider necessary, and may seize and detain any books, documents or other things found in the premises entered that may furnish evidence of the commission of an offence under this Act or the rules or regulations thereunder.

Power to enter premises, carry out inspection and examination and prohibit sale or export of timber.

(2) A person making an entry under subsection (1) may be accompanied by any other person or persons he deems necessary.

(3) Notwithstanding subsection (1), a Chief Quality Control Officer or Quality Control Officer acting thereunder on the written authority of the Chairman may only carry out such inspection and examination as he may consider necessary for the purpose of checking or verifying the actual and the desired quality of any timber found in the premises, mill or yard and may seize and detain only those documents that may furnish evidence of the commission of an offence relating to the quality of timber.

(4) If the Chairman or any officer of the Board authorized under subsection (1) has reason to believe that an offence under this Act or the rules or regulations thereunder has been committed in respect of any timber found in the course of the inspection and examination under this section, he may prohibit the sale or export of the timber by—

(a) sealing, marking or packing the timber in such manner as to clearly indicate that the timber is subject to prohibition; and

(b) posting in a conspicuous part of the premises a prohibitory notice in such form as may be prescribed.

(5) Any person who sells or exports timber in contravention of the prohibition imposed under subsection (4), or in any manner tampers with the seal, mark, packing or prohibitory notice placed, carried out or posted under that subsection is guilty of an offence.

Disposal of
prohibited
timber.

28. (1) The Court before which a prosecution is held for an offence committed in respect of timber which has subsequently been subjected to a prohibitory notice under section 27 may, if it is satisfied that an offence has been committed in respect of the timber and notwithstanding that no person may have been convicted thereof, make such order, being either of forfeiture or destruction, as to the Court seems just.

(2) Any timber that has been forfeited under subsection (1) shall be sold by the Board and the proceeds of sale thereof shall be paid to Federal revenue, less any sum that may be certified by the Chairman as having been incurred by the Board in effecting the prohibition under section 27 and in carrying out the sale under this section.

(3) If the Court does not make an order under subsection (1) or if no prosecution has been initiated in respect of any

timber that has been subjected to prohibition under section 27 within two months of the imposition of the prohibition, the prohibition shall be deemed to have been lifted.

29. (1) Secrecy shall be maintained by every person carrying out an inspection or examination under section 27 of all matters that come to his knowledge in the course or as a result of the inspection or examination, and of the contents of all books and documents that he may seize and detain under that section. Secrecy.

(2) Any such person who contravenes the requirement of subsection (1) or who communicates any matter required to be kept secret thereunder to any person except for the purpose of carrying into effect the provisions of this Act is guilty of an offence and is liable on conviction to a fine not exceeding one thousand dollars.

30. Whoever, in purported exercise of the powers under section 27, vexatiously and unnecessarily seizes or detains any books, documents or other things, or in like manner prohibits the sale or export of any timber is guilty of an offence and is liable on conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one thousand dollars or to both. Abuse of power.

31. Notwithstanding anything to the contrary contained in any other written law, a Sessions Court in West Malaysia or a Court of a Magistrate of the First Class in East Malaysia shall have jurisdiction to try any offence under this Act or any rules or regulations made thereunder and to impose the full penalty provided for by this Act or any rules or regulations made thereunder. Jurisdiction.

32. The Minister may from time to time, after consulting the Board, amend the First Schedule. Power to amend First Schedule.

33. Any person who is guilty of any offence under this Act or the rules or regulations thereunder for which no penalty is specially prescribed is liable on conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both. General penalty.

34. (1) The Minister may, after consulting the Board, make such rules and regulations, except those that the Board is empowered to make under subsection (2), as appear to him to be necessary for carrying out the provisions of this Act Rules and regulations.

and, without prejudice to the generality of this subsection, such rules and regulations may—

- (a) prescribe the form or forms of contract to be adopted by persons selling or buying timber locally and the terms and conditions to be included in such contracts;
 - (b) prescribe the procedure to be followed in showing cause under section 17; and
 - (c) prescribe the form of the prohibitory notice under section 27.
- (2) The Board may from time to time, with the approval of the Minister, by rules or regulations—
- (a) prescribe the manner of applying for registration under this Act, the particulars to be supplied by an applicant, the manner of registration, the fees payable therefor, the conditions or restrictions to be imposed and the form or forms of certificates to be issued upon registration;
 - (b) prescribe the standards and methods of seasoning, preserving, grading, bundling or packaging timber, and the fees payable for grading;
 - (c) prescribe the minimum standards of hygiene to be maintained in mills, yards and jetties;
 - (d) prescribe the methods of fixing timber prices;
 - (e) prescribe the procedure to be followed by exporters in exporting timber;
 - (f) provide for the maintenance of proper standards of conduct in the carrying out of the timber trade and for dealing with infringements thereof;
 - (g) provide for the calling and conduct of meetings of the Board and its committees;
 - (h) provide for the schemes and terms of service of its officers and servants; and
 - (i) prescribe the terms and conditions of loans made to employees of the Board under section 19.

Power of
Minister to
issue
directives.

35. (1) The Board shall be responsible to the Minister and the Minister may, from time to time, issue directives on any aspect of the functions of the Board and any such directive shall be binding on the Board.

(2) The Board shall furnish the Minister with such returns, accounts and other information with respect to its property and activities as the Minister may from time to time require.

PART VI

REPEAL AND TRANSITIONAL PROVISIONS

36. The Malaysian Timber Export Industry Board (Incorporation) Act, 1966 is hereby repealed and the Malaysian Timber Export Industry Board established thereunder (in this Part referred to as "the former Board") is hereby dissolved.

Repeal and dissolution.
12/66.

37. All powers, rights, privileges, duties, or obligations that immediately before the appointed day were those of the former Board shall devolve as from that day on the Board.

Transfer of powers, rights, liabilities and duties.

38. (1) All lands that immediately before the appointed day were vested in, or reserved under any written law relating to land for the purposes of, the former Board shall on that day vest in or be deemed to be reserved for the purposes of the Board, as the case may be.

Transfer of property.

(2) All property and assets other than land that immediately before the appointed day were vested in the former Board or in any person on behalf of the former Board shall on that day vest in the Board.

39. All deeds, bonds, agreements, instruments and working arrangements subsisting immediately before the appointed day and affecting any of the property transferred under section 38 shall be in full force and effect against or in favour of the Board and enforceable as fully and effectually as if, instead of the former Board or any person acting on behalf of the former Board, the Board had been named therein or been a party thereto.

Existing contracts.

40. (1) Neither the repeal under section 36 nor anything contained in this Act shall affect any person's liability to be prosecuted or punished for offences committed under the repealed Act before the appointed day, or any proceedings brought before that day in respect of such offences.

Continuance of criminal and civil proceedings.

(2) Any proceedings, whether civil or criminal, or cause of action pending or existing immediately before the appointed day by or against the former Board or any person acting on behalf of the former Board may be continued or instituted by or against the Board as it might have been by or against the former Board or such person if this Act had not been passed.

(3) Any appeal brought or any leave to appeal applied for on or after the appointed day against a decision given before that day in any legal proceedings to which the former Board was a party may be brought by or against the Board.

Transfer of Fund.

41. All monies standing in, or due to be paid to, the Fund of the former Board shall on the appointed day be transferred to the Fund established under section 19 of this Act.

Continuance of officers and servants.

42. Every person who, immediately before the appointed day, was employed as an officer or servant of the former Board shall on that day be employed as an officer or servant, as the case may be, of the Board upon the same terms and conditions of service as those obtaining immediately before the appointed day.

Saving of existing certificate holders.

43. (1) Notwithstanding the repeal under section 36 or any provision of this Act to the contrary—

(a) every person who, immediately before the appointed day, held a valid ordinary or temporary export registration certificate issued to him under the repealed Act shall be deemed to be registered under this Act as an exporter until the expiry date of the certificate and subject to the terms and conditions attached thereto; and

(b) every person who, immediately before the appointed day, held a valid certificate of registration as a timber supplier issued to him under the repealed Act shall be deemed to be registered under this Act as a supplier until the expiry date of the certificate and subject to the terms and conditions attached thereto.

(2) Every certificate by virtue of which a person is deemed, under subsection (1), to be registered under this Act shall be deemed to have been issued under this Act; and the Board may alter the terms and conditions attached to the certificate for the purpose of bringing them into conformity with the policy of the Board on the imposition of conditions and restrictions on registrations under this Act.

(3) The provisions of sections 17 and 18 relating to the cancellation of registration shall apply to all persons deemed, under subsection (1), to be registered under this Act.

(4) If a person deemed, under subsection (1), to be registered under this Act desires to be registered under this Act as an exporter or a supplier, as the case may be, after the expiration of the period for which he is deemed to be registered under this Act, he may apply to the Board for registration under section 14, and his application shall be made and treated as a fresh application and not as an application for renewal of registration.

44. (1) If any difficulty arises in connexion with the transitional provisions contained in this Part, the Minister may by order, subject to subsection (2), make such modifications therein as may appear to him necessary for preventing anomalies. Prevention
of
anomalies.

(2) The Minister shall not exercise the powers conferred by subsection (1) after the expiration of two years from the appointed day.

FIRST SCHEDULE

(Section 2)

DEFINITION OF TIMBER

Logs.

Sawn timber.

Mouldings.

Plywood.

Veneer.

Chip or particle boards.

Fibre boards.

Wood chips.

Ground wood.

SECOND SCHEDULE

(Subsection (2) of Section 3)

SUPPLEMENTARY PROVISIONS RESPECTING THE BOARD

1. (1) A member of the Board, other than a member specified in paragraph (b), (c) or (d) of subsection (1) of section 4, who—

- (a) without reasonable cause or the permission in writing of the Chairman has neither been present nor represented by a proper alternate member at three consecutive meetings of the Board;
- (b) has been found or declared to be of unsound mind;
- (c) has become bankrupt or made an arrangement with his creditors;
or
- (d) has been convicted of any offence involving fraud, dishonesty or moral turpitude or any offence under this Act or the rules or regulations thereunder,

shall cease to hold office.

(2) The provisions of subparagraph (1), other than subparagraph (1) (a), shall apply *mutatis mutandis* to every alternate member.

(3) There shall be paid to members of the Board, or to such of them as the Minister may determine, such allowances as he may determine.

(4) The appointment of every member and alternate member of the Board shall be published in the *Gazette*.

(5) No member of the Board shall incur personal liability for loss or damage caused by an act or omission in administering the affairs of the Board, unless the loss or damage is occasioned by an intentionally wrongful act or omission on his part.

2. (1) The Board shall meet at least four times a year.

(2) The quorum of the Board shall be ten.

(3) If at any meeting of the Board neither the Chairman nor the person exercising the functions of the Chairman is present, the members present shall elect one of their number to preside over the meeting.

(4) If on any question to be determined by the Board there is an equality of votes, the Chairman or member presiding shall have a casting vote.

(5) Subject to subparagraphs (1), (2), (3) and (4), the Board shall determine its own procedure.

(6) The seal of the Board shall be authenticated by the Chairman and one other member of the Board, and any document purporting to be sealed by the seal of the Board and so authenticated shall, until the contrary is shown, be deemed to have been validly sealed.

THIRD SCHEDULE
(Section 2 and Subsection (1) of Section 5)

RECOGNIZED ASSOCIATIONS

Name	Number of Representatives
Federation of Malaya Timber Exporters' Association ...	1
Timber Trade Federation of Malaysia	1
Malay Timber Industry Association	1
Malaysian Plywood Manufacturers' Association ...	1