

**LEMBAGA PADI DAN BERAS NEGARA ACT 1971**

**ACT 47**

**Preamble**

An Act to establish the Lembaga Padi dan Beras Negara; to make provisions for conserving and maintaining an adequate supply of padi and rice; to secure a fair and stable price thereof for farmers and consumers; generally to provide for the betterment of the padi and rice industry; and for purposes connected therewith.

BE IT ENACTED by the Duli Yang Maha Mulia 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**

**1. Short title, extent, commencement and application.**

- (1) This Act may be cited as the Lembaga Padi dan Beras Negara Act 1971.
- (2) This Act shall apply throughout Malaysia.
- (3) This Act shall come into force on such date as the Minister may by notification in the Gazette appoint, and different dates may be appointed for different States or parts of Malaysia.
- (4) The Yang di-Pertuan Agong may by order suspend the operation of any of the provisions of this Act.

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**2. Interpretation.**

In this Act, unless the context otherwise requires -

"authorised officer" means an officer authorised under section 18;

"Chairman" means the Chairman of the Lembaga;

"Deputy Chairman" means the Deputy Chairman of the Lembaga;

"Director General" means the Director General of the Lembaga appointed by the Minister under section 9;

"Fund" means the fund established under section 12;

"Lembaga" means the Lembaga Padi dan Beras Negara established under section 3;

"marketing" means sale, purchase, storage, transport, processing, milling, polishing, grading, packaging, advertising and promotion;

"Minister" means the Minister charged with the responsibility for the Lembaga Padi dan Beras Negara;

"padi" or "rice" includes padi or rice in any form, the by-products of padi or rice, and any product made or derived wholly or substantially from padi or rice:

Provided that the Minister may, by order published in the Gazette, exempt padi or rice in any particular form, or any particular product or byproduct of padi or rice, from all or any of the provisions of this Act or regulations made thereunder.

## **PART II** **THE LEMBAGA**

### **3. The Lembaga.**

There is hereby established a body corporate by the name "Lembaga Padi dan Beras Negara" (hereinafter referred to as "the Lembaga") with perpetual succession and a common seal, with power to acquire and hold movable or immovable property, and to dispose thereof or otherwise deal therewith.

### **4. Functions of the Lembaga.**

(1) The functions of the Lembaga shall be -

(a) to conserve and maintain an adequate supply of padi and rice;

(aa) to ensure a fair and stable price of padi for farmers;

(b) to ensure a fair and stable price of rice for consumers;

(c) to ensure sufficient supply of rice to meet all emergencies;

(d) to make recommendations to the Government on policies designed to promote the development of the padi and rice industry, and where approved by Government to co-ordinate and assist in the implementation of the same.

(2) Subject to the prior approval of the Minister, the Lembaga shall have power to do all things expedient or reasonably necessary or incidental to the discharge of its functions, and in particular, but without prejudice to the generality of the foregoing-

(a) to implement a guaranteed minimum price for padi;

(b) to enforce the maintenance of fair and stable price of rice for consumers;

(ba) to fix maximum or minimum prices of padi or rice;

(c) to maintain or to require any person to maintain a stockpile in padi or rice for strategic and price stabilisation purposes;

(d) to regulate the marketing of padi and rice particularly through licensing of wholesalers, retailers, rice millers, importers and exporters;

(da) to regulate and control the amount of padi or rice that may be kept, stored or possessed by any person;

(db) to impose rationing in respect of padi or rice and to regulate and control the rationing thereof; to provide for the registration of all or any persons for the purpose of such rationing and for the issue of ration cards or other rationing documents, and to appoint enumerators to enumerate the public or any class thereof for the purpose of rationing;

(dc) to requisition stocks of padi or rice belonging to any person and pay adequate compensation therefor;

(dd) to regulate and control the milling of padi into rice including the rate and regularity of milling operations;

(e) to conduct surveys and investigations in respect of padi and rice industry;

(f) to require persons engaged in the production or marketing of padi and rice to register and to give in such manner as the Lembaga may specify such information as the Lembaga may deem necessary;

(g) to regulate the production of padi;

(h) to prohibit, regulate or control the movement of padi or rice;

(i) to require departments and government and non-governmental agencies dealing in padi and rice industry to submit reports regarding their activities;

(j) with the approval of the Minister, to enter into equity participation in any padi and rice industry;

(k) to acquire, purchase, take on lease, hire, hold and enjoy movable and immovable property of every description and to convey, assign, surrender, and yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with or to develop any movable or immovable property belonging to the Lembaga;

(l) to enter into any contract;

(m) to appoint agents or establish such other bodies as it may deem fit for the purpose of carrying out its functions;

(mm) to dispose of capital assets and to apply the proceeds of such disposals;

(n) to impose fees or any other charges it deems fit for giving effect to any of its powers or functions;

(o) to receive in consideration of the services rendered by it such commission or payment as may be agreed upon; and

(p) to exercise all functions and powers and perform all duties which under or by virtue of any other written law may be vested or delegated to it.

## **5. Membership.**

(1) The Lembaga shall consist of the following members to be appointed by the Minister -

(a) a Chairman;

(b) a Deputy Chairman; and

(c) not less than five nor more than nine other members of whom not less than three shall be public officers.

(2) The Minister shall, in respect of each member of the Lembaga who is a public officer, appoint an alternate member who may attend any meeting of the Lembaga which the member is for any reason whatsoever unable to attend and the alternate member, when so attending, shall for all purposes be deemed to be a member of the Lembaga.

(2A) A member shall devote such time to the business of the Lembaga as is necessary for the discharge of his duties.

(3) The provisions of the Schedule to this Act shall apply to the Lembaga.

#### **6. Directions by the Minister.**

(1) The Minister may give to the Lembaga such directions, not inconsistent with the provisions of this Act, as he may deem fit, as to the exercise and performance by the Lembaga of its powers, duties and functions under this Act, and the Lembaga shall give effect to all such directions.

(2) The Lembaga shall furnish the Minister with such information with respect to its property and activities as he may from time to time require.

#### **7. Seal of the Lembaga.**

(1) The Lembaga shall have a common seal and such seal may from time to time be broken, changed, altered or made anew as it deems fit:

Provided that until a seal is provided under this section, a stamp bearing the inscription "Lembaga Padi dan Beras Negara" may be used as a common seal.

(2) All deeds, and documents and other instruments which are required to be sealed under this Act, any other law or by the Lembaga shall be sealed with the seal of the Lembaga, in the presence of two members of the Lembaga who shall sign every such deed, document or instrument to which such seal is affixed; and such signing shall without further attestation be sufficient evidence that such seal was duly and properly affixed and that the seal is the lawful seal of the Lembaga.

(3) All documents and other instruments which are not required to be sealed under this Act, any other law or by the Lembaga shall be executed on behalf of the Lembaga by any officer or servant of the Lembaga generally or specifically authorised by the Lembaga in that behalf.

#### **8. Delegation of duties and powers of Lembaga.**

(1) The Lembaga may, subject to subsection (2) and to such conditions, limitations, or restrictions as it thinks fit, by an instrument in writing under the common seal of the Lembaga delegate to any body or person any of its duties or powers except its power to borrow under section 13 and its power to make regulations under section 32.

(2) Such person or body shall have no control over the Fund and shall act in all respects in accordance with the instrument of delegation and the directions of the Lembaga.

(3) A delegation under subsection (1) may be revoked or varied by a subsequent instrument made in the like manner.

(4) The Lembaga may exercise a power or perform a duty notwithstanding that the Lembaga has delegated its exercise or performance to some other person or body.

**PART III**  
**ADMINISTRATION AND FINANCE**

**9. Appointment and duties of Director General.**

(1) For the purposes of this Act there shall be a Director General of the Lembaga who shall be appointed by the Minister.

(2) The terms and conditions of appointment of the Director General shall be determined by the Minister and shall be set out in the instrument of appointment.

(3) The Director General shall be responsible for the day to day administration and management of the affairs of the Lembaga and shall perform such duties and exercise such powers as may be entrusted or delegated by the Lembaga or the Chairman of the Lembaga acting on behalf of the Lembaga.

(4) Without prejudice to the generality of subsection (3), the Director General shall be responsible for the preparation of programmes, schemes or projects for the consideration of the Lembaga, the issue of policy guidance or elucidation of the decisions of the Lembaga to the officers and servants of the Lembaga and the supervision and control of the implementation of such decisions.

(5) The Director General shall have all the powers of an authorised officer under this Act.

**10. Appointment of officers and servants of the Lembaga.**

(1) The Lembaga may appoint such officers and servants as it may consider necessary for the efficient conduct of the affairs of the Lembaga.

(2) The officers and servants of the Lembaga shall be responsible to the Director General.

(3) The officers and servants of the Lembaga shall hold office for such period or periods, receive such salaries and allowances and be subject to such conditions of service as may be determined by the Lembaga with the approval of the Minister.

**11. Ineligibility for employment as officers of the Lembaga.**

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

(2) Any officer or servant appointed by the Lembaga who has or acquires any such share or interest shall be liable in the discretion of the Lembaga to summary dismissal without notice.

**12. Fund of the Lembaga.**

For the purpose of this Act, there is hereby established a fund (hereinafter referred to as the "Fund") to be administered and controlled by the Lembaga -

(a) into which shall be paid -

(i) such sums as may be provided from time to time by Parliament;

(ii) such sums as may from time to time be borrowed by the Lembaga for the purpose of meeting any of its obligations or discharging any of its duties;

(iii) all monies earned by the operation of any project, scheme or enterprise financed from the Fund;

(iv) all monies earned or arising from any property, investment, mortgage, charges or debentures acquired by or vested in the Lembaga; and

(v) fees, charges or 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 powers and duties;

(b) out of which shall be defrayed -

(i) all expenditure (including capital expenditure) incurred by the Lembaga in carrying out its functions; and

(ii) monies for the repayment of any loan made to the Lembaga pursuant to its power to borrow.

#### **12A. Payment of fees, etc. from rice mill licences to the States.**

Notwithstanding section 12, fees, charges or other sums collected from the issue of rice mill licences shall become payable to the Government of the State in which the licence-holder operates his rice mill.

#### **13. Borrowing powers.**

The Lembaga may, upon terms and conditions approved by the Minister of Finance, borrow such sums as it may require for carrying out any of its functions under this Act.

#### **14. Investment.**

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

#### **15. Finance.**

(1) The expense 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 expenses (including those for development projects) for the following year in such form and containing such particulars as the Minister may require, and the Minister shall before the beginning of the following year notify the Lembaga of the amount authorised for expenses 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.

#### **16. Accounts and audit.**

(1) The Lembaga shall keep proper accounts and other records in respect of its operation and shall prepare statements of accounts in respect of each financial year.

(2) The accounts of the Lembaga shall be audited annually by the Auditor General or other auditors appointed by the Lembaga with the approval of the Minister.

(3) After the end of each financial year, and as soon as the accounts of the Lembaga have been audited, the Lembaga shall cause a copy of the statement of accounts in such manner as the Minister may require to be transmitted to the Minister, together with a copy of any observations made by the Auditor General or other auditors appointed under subsection (2) on any statement or on the accounts of the Lembaga.

(4) The Minister shall cause a copy of every such statement and observations to be laid before each House of Parliament.

### **17. Annual Report.**

(1) The Lembaga shall not later than the 30th day of June of each year, cause to be made and transmitted to the Minister, a report dealing with the activities of the Lembaga during the preceding year and containing information relating to the proceedings and policy of the Lembaga.

(2) The Minister shall cause a copy of every report of the Lembaga to be laid before each House of Parliament.

### **17A. Surcharge.**

(1) If it appears to the Lembaga that any person who is or was in the employment of the Lembaga

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(a) has failed to collect any monies owing to the Lembaga for the collection of which he is responsible;

(b) is or was responsible for any payment from the Fund of monies which ought not to have been made or for any payment of monies which is not duly vouched;

(c) is or was responsible, directly or indirectly, for any deficiency in, or for the destruction of, any monies, stamps, securities, stores or other property of the Lembaga;

(d) being or having been an accounting officer, fails or has failed to keep proper accounts or records;

(e) has failed to make any payment, or is or was responsible for any delay in the payment, of monies from the Fund to any person to whom such payment is due under any contract, agreement or arrangement entered into between that person and the Lembaga,

the Lembaga shall serve on him a written notice calling on him to show cause why he should not be surcharged, and if a satisfactory explanation is not, within fourteen days from the date of service of the notice as aforesaid, furnished to the Lembaga with regard to the failure to collect, payment which ought not to have been made, payment not duly vouched, deficiency or destruction, or failure to keep proper accounts or records, or failure to make payment, or delay in making payment, the Lembaga may surcharge against the said person a sum not exceeding the amount of any such amount not collected, such payment, deficiency, or loss or the value of the property destroyed, as the case may be; and with regard to the failure to keep proper accounts or records, or the failure to make payment, or the delay in making payment, the Lembaga may surcharge against the said person such sum as the Lembaga may think fit.

(2) The Chairman shall cause the Director General to be notified of any surcharge made under subsection (1) and the Director General shall thereupon notify the person surcharged.

(3) The Lembaga may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and the Chairman shall at once cause the Director General to be notified of such withdrawal.

(4) The amount of any surcharge made under subsection (1) and not withdrawn under subsection (3) shall be a debt due to the Lembaga from the person against whom the surcharge is made and may be sued for and recovered in any court at the suit of the Lembaga and may also be recovered by deduction -

(a) from the salary of the person surcharged if the Lembaga so directs; or

(b) from the pension of the person surcharged if the Lembaga so directs, by equal monthly instalments not exceeding one-fourth of the total monthly salary or pension, as the case may be, of the person.

#### **PART IV** **POWERS RELATING TO ENFORCEMENT**

##### **18. Authorisation of officer to exercise powers under this part.**

(1) The Minister may authorise in writing any public officer or officer of the Lembaga to exercise the powers under this Part.

(2) In exercising any of the powers under this Part the officer shall on demand produce to the person against whom he is acting under this Act or any regulation made thereunder the authority issued to him by the Minister.

##### **18A. Power to obtain information.**

(1) Any authorised officer may by writing under his hand or by notification in the Gazette require any person or class or description of persons or all persons -

(a) to furnish him or such other person as may be specified in the requisition with full and accurate periodical or other returns or information in respect of padi or rice, showing all or any of the following particulars -

(i) the quantity thereof in his or their possession or under his or their control;

(ii) the cost thereof or expense incurred in respect thereof;

(iii) the price charged or received by him or them therefor; and

(iv) any other information which the authorised officer may deem necessary to request in respect thereof;

(b) to produce for inspection all or any books or documents relating to any padi or rice in his or their possession or under his or their control;

(c) to register his or their names and addresses and such other particulars and in such manner as the authorised officer may specify; and

(d) to maintain such records and to make such returns containing such particulars as the authorised officer may specify relating to the acquisition, disposal, deposit, withdrawal, production, treatment, distribution, use and consumption of any padi or rice.

(2) Where any person to whom a requisition has been made under subsection (1) fails to comply therewith within such time as may be specified in the requisition or, if no time is specified, fails to comply therewith within a reasonable time, he shall be guilty of an offence under this Act.

(3) Where any information is required to be furnished in pursuance of subsection (1), an authorised officer may ask any person any question either orally or in writing or may require any person to produce any book or document which the authorised officer may consider necessary for the purpose of obtaining the information, and any person who refuses to answer or knowingly gives a false answer to such question or refuses to produce such book or document, shall be guilty of an offence under this Act.

(4) The authorised officer may impound or detain any book or document produced in compliance with any requisition made under subsection (1) if in his opinion it contains evidence of the commission of an offence under this Act.

### **19. Power to enter premises.**

(1) Any authorised officer or police officer -

(a) for the purpose of testing the accuracy of any record kept or return made or information given to an authorised officer under section 18A; or

(b) for the purpose of obtaining information; or

(c) in any case where he has reasonable grounds for believing that an offence under this Act or under any regulation made thereunder has been committed,

may -

(d) enter any premises belonging to or in the occupation of any person;

(e) carry out such inspection and examination (including the inspection and examination of books) as he may consider necessary; and

(f) seize and detain any books, documents or other things or any padi or rice found in such premises which may furnish evidence of an offence under this Act or under regulations made thereunder.

(2) Where, as a result of any inspection and examination made under subsection (1), there is any discrepancy between the quantity or quality of any padi or rice found and any record or return required to be kept or made or any information given in respect of the padi or rice, the person required to keep the record or to make the return or to give the information shall be guilty of an offence under this Act.

### **20. Power of arrest, seizure, investigation and prosecution.**

(1) Any authorised officer or police officer may -

(a) arrest without warrant any person whom he has reason to believe to have committed an offence under this Act or under any regulation made thereunder, if such person refuses to furnish his name and address or furnishes an address outside Malaysia or there are reasonable grounds for believing that he has furnished a false name or address or that he is likely to abscond:

Provided that when any person has been arrested as aforesaid he shall be thereafter dealt with as provided by the law relating to criminal procedure for the time being in force; and

(b) seize anything which he considers it necessary to seize in relation to the evidence necessary to establish the commission of any such offence.

(2) Any authorised officer and any police officer not below the rank of Inspector, may in relation to any investigation in respect of any offence under this Act or any regulation made thereunder without order of the Public Prosecutor exercise the special powers in relation to police investigations given by the law relating to criminal procedure in any seizable offence.

(3) Any prosecution in respect of an offence under this Act or under any regulation made thereunder may be conducted by an authorised officer.

## **21. Power to stop and search conveyance.**

(1) Where an authorised officer or police officer has reasonable suspicion that any conveyance is carrying any padi or rice in contravention of any provision of this Act or any regulation made thereunder, it shall be lawful for such officer to stop and examine such conveyance for the purpose of ascertaining whether any padi or rice is contained therein or is being moved or transported contrary to the provisions thereof and the person in control or in charge of such conveyance shall, if required to do so by such officer, stop such conveyance and allow such officer to examine the same.

(2) The person in control or in charge of any conveyance examined under the provision of this section shall, on request by the authorised officer or police officer, open all parts of the conveyance for examination by such officer and take all measures necessary to enable such examination as such officer considers necessary to be made.

## **22. Seizure of padi or rice, etc. the subject of an offence.**

(1) All padi and rice in respect of which there has been, or there is reasonable cause to suspect that there has been, committed any offence against this Act or any regulation made thereunder or any breach of any of the provisions of this Act or any regulation made thereunder, or of any restriction or condition subject to or upon which any licence or permit has been granted, together with any receptacle, package, conveyance, vessel or other article, in which the same may have been found or which have been used in connection with such offence or breach, and any book or document which may reasonably be believed to have a bearing on the case, may be seized by any authorised officer or police officer in any place either on **land** or in territorial waters.

(2) All such padi and rice and such receptacles, packages, conveyances, vessels or other articles shall, as soon as is convenient, be delivered into the care of an authorised officer of the lembaga whose duty is to receive the same.

(3) An authorised officer or a police officer who makes any seizure under this Act or any regulation made thereunder shall forthwith give notice in writing of such seizure and the grounds thereof to the owner, if known, either by delivering the notice to him or by sending the notice by registered post to his last known address:

Provided that no notice shall be necessary where the seizure is made in the presence of the offender or the owner or his agent, or in the case of a vessel in the presence of the master.

(4) The provisions of this section relating to the seizure of padi and rice shall apply to all the contents of any receptacle or package in which the same are found and to any article used to conceal the same.

(5) In this section, "territorial waters" means the territorial waters of Malaysia determined in accordance with the Emergency (Essential Powers) Ordinance, No. 7 of 1969 (P.U. (A) 307A/69).

**22A. Goods seized in respect of which there is no prosecution.**

(1) Subject to section 22B, If there is no prosecution with regard to any padi or rice seized under this Act or any regulation made thereunder such padi or rice together with any receptacle, package, conveyance, vessel or other article, in which such padi or rice may have been found, shall be taken and deemed to be forfeited at the expiration of thirty days from the date of the publication of a notice in accordance with the provisions of subsection (2) by the

Director General or any authorised officer unless a claim thereto is made before the expiration of the thirty days in the manner hereinafter set forth.

(2) The notice mentioned in subsection (1) shall contain a description of the padi, rice, receptacle, package, conveyance, vessel or other article seized, require any person who has any claim thereto to give written notice of his claim, personally or by his agent authorised in writing before the expiration of thirty days from the date of the publication of the notice and shall be published -

(a) by posting it in a conspicuous place -

(i) on the office of the Lembaga, or if there is no such office, on the **Land** Office, in the district in which the padi, rice, receptacle, package, conveyance, vessel or other article was seized;

(ii) on the office of the Lembaga in the State in which the padi, rice, receptacle, package, conveyance, vessel or other article was seized;

(b) where the Director General is of the opinion that publication in a newspaper is necessary, in such newspapers circulating in the State, in which the padi, rice, receptacle, package, conveyance, vessel or other article was seized, as the Director General thinks fit.

(3) Any person asserting that he is the owner of any padi, rice, receptacle, package, conveyance, vessel or other article seized under this Act or any regulation made thereunder (who is referred to in this section as "the claimant") and that the same is not liable to forfeiture may personally or by his agent authorised in writing give written notice to an authorised officer that he claims the same.

(4) On the receipt of such notice, the authorised officer shall refer the claim to the Director General who may direct that the padi, rice, receptacle, package, conveyance, vessel or other article be released to the claimant if he is satisfied that the claimant is the rightful owner thereof.

(5) If the Director General is not satisfied that the claimant is the rightful owner of any padi, rice, receptacle, package, conveyance, vessel or other article seized under this Act or any regulation made thereunder he shall direct the authorised officer to refer the claim to a Magistrate of the First Class.

(6) When a claim is referred to a Magistrate of the First Class under subsection (5), the Magistrate shall issue a summons requiring the claimant and the person from whom the padi, rice, receptacle, package, conveyance, vessel or other article was seized, if he is not the claimant, to appear before him, and upon their appearance or default in appearance due service of the summons being proved, the Magistrate shall proceed to the examination of the matter and on proof that an offence under this Act or any regulation made thereunder has been committed and that such padi or rice was the subject matter, or such receptacle, package, conveyance, vessel or other article was used

in the commission, of such offence, may order the same to be forfeited or shall in the absence of such proof, order its release to the person who in the opinion of the Magistrate is the rightful owner thereof.

(7) In any proceedings under subsection (6) the burden shall be on the claimant and on the person from whom the padi, rice, receptacle, package, conveyance, vessel or other article was seized, if he is not the claimant, to prove that the padi or rice was not the subject matter of the offence or that the receptacle, package, conveyance, vessel or other article was not used in the commission of the offence.

(8) If in the opinion of the Magistrate the claimant is not the rightful owner of the padi, rice, receptacle, package, conveyance, vessel or other article seized or where there is more than one claimant, none of the claimants is the rightful owner of the padi, rice, receptacle, package, conveyance, vessel or other article seized he shall order the same to be forfeited.

## **22B. Release or disposal of padi, etc.**

(1) Where any padi, rice, receptacle, package, conveyance, vessel or other article has been seized under this Act or any regulation made thereunder, an authorised officer or a police officer not below the rank of Inspector may -

(a) release the receptacle, package, conveyance, vessel or other article to the owner thereof or to the person from whose possession, custody or control it was seized, or to such person as the authorised officer or police officer may consider entitled thereto, subject to such terms and conditions as the authorised officer or police officer may impose, and subject, in any case, to sufficient security being furnished to the satisfaction of the authorised officer or police officer that the receptacle, package, conveyance, vessel or other article shall be surrendered to the authorised officer or police officer on demand being made by the authorised officer or police officer and that the said terms and conditions, if any, shall be complied with; or

(b) release the padi, rice, receptacle, package, conveyance vessel or other article to the owner thereof or to the person from whose possession, custody or control it was seized, or to such person as the authorised officer or police officer may consider entitled thereto, with liberty for the person to whom the same is so released to dispose of the same, subject to such terms and conditions as the authorised officer or police officer may impose, and subject, in any case, to sufficient security being furnished to the satisfaction of the authorised officer or police officer in an amount not less than an amount which, in the opinion of the authorised officer or police officer represents -

(i) the open market value of the padi, rice, receptacle, package, conveyance, vessel or other article on the date on which it is so released;

(ii) the customs duty payable in respect thereof, if any; and

(iii) the tax payable in respect thereof under any written law, if any, for the payment of the amount so secured to the Director

General in the event of the Court making an order for the forfeiture of such amount under this Act; or

(c) sell or destroy, as appropriate in the circumstances, the padi, rice, receptacle, package, or other article, which, in the opinion of the authorised officer or police officer, is of a perishable nature or likely to speedily deteriorate in quality or value, and where it is so sold, the authorised officer or police officer shall hold the proceeds of sale to abide the result of any prosecution or claim.

(2) Any person who -

(a) fails to surrender on demand to an authorised officer or a police officer not below the rank of Inspector any receptacle, package, conveyance, vessel or other article released to him under subsection (1)(a); or

(b) fails to comply with or contravenes any of the terms or conditions imposed under subsection (1)(a) or (b),

shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding ten thousand ringgit or to both such imprisonment and fine.

(3) The criminal liability of any person under subsection (2) shall be in addition to any other liability that the said person or any other person may incur under the terms and conditions relating to the release of any receptacle, package, conveyance, vessel or other article under subsection 1(a) or any padi, rice, receptacle, package, conveyance, vessel or other article under subsection 1(b).

(4) The Minister may, from time to time, either generally or in any particular case or class of cases, give such directions to the Director General as he may deem necessary or expedient with regard to the exercise of the powers conferred on an authorised officer or a police officer not below the rank of Inspector under subsection (1).

## **PART V** **OFFENCES, PENALTIES AND PROCEEDINGS**

### **23. Prohibition of concealment or destruction of padi or rice.**

Any person who conceals or destroys any padi or rice in order to withhold such padi or rice from the market shall be guilty of an offence under this Act.

#### **23A. Offence of refusing to sell rice.**

(1) Any person licensed under this Act to sell rice, or the servant or agent of any such person, who has in his possession a stock of rice and who -

(a) falsely denies that he has rice in his possession; or

(b) refuses, except with the permission of the Director General or an officer of the Lembaga authorised by him in writing in that behalf, to sell rice in reasonable quantities in the ordinary way of business,

shall be guilty of an offence under this Act:

Provided that it shall be a good defence to a charge under paragraph (b) that the accused had reasonable grounds for believing that the purchaser was unable or unwilling to make immediate payment of the price of the rice in cash.

(2) The servant or agent of any person licensed under this Act to sell rice shall be deemed to have in his possession a stock of rice if any rice is being kept or stored in the premises where he is employed or in the premises where rice can be stored under the terms of the licence and if he sells the rice on behalf of his employer in the ordinary course of his employment.

### **24. Illegal condition.**

Any person who, in selling padi or rice, imposes except with the permission of the Director General, any condition of sale other than a condition of sale -

(a) requiring immediate payment therefore; or

(b) prescribing the time within which payment must be made or delivery taken; or

(c) requiring a deposit in respect of sale of such padi or rice,  
shall be guilty of an offence under this Act.

#### **25. Unlawful possession of padi or rice.**

Any person in possession or control of any padi or rice in such circumstances as to raise a reasonable suspicion that an offence under this Act or under any regulation made thereunder has been or is intended to be committed by him in relation to such padi or rice, shall be guilty of an offence under this Act unless he satisfies the Court that such offence has not been and was not intended to be committed by him.

#### **26. Offence of obstruction.**

Any person who obstructs or impedes the Director General, any authorised officer or police officer in the lawful exercise of any of his powers under this Act or under any regulation made thereunder shall be guilty of an offence under this Act.

#### **27. General penalty.**

(1) Any person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence under, or who fails to comply with, any of the provisions of this Act or of any regulation made thereunder in respect of which no penalty is expressly provided for, shall, on conviction, be liable to imprisonment for a term not exceeding two years or to a fine not exceeding fifteen thousand ringgit or to both, and for a second or subsequent offence, to imprisonment for a term not exceeding five years or to a fine not exceeding twenty five thousand ringgit or to both.

(2) Any body corporate which commits an offence under, or fails to comply with, any of the provisions of this Act or of any regulation made thereunder shall, on conviction, be liable to a fine not exceeding twenty-five thousand ringgit and, for a second or subsequent offence, to a fine not exceeding fifty thousand ringgit.

(3) Where a person charged with an offence under any of the provisions of this Act or of any regulation made thereunder is a body corporate, every person who, at the time of the commission of such offence is a director or officer of such body corporate may be charged jointly in the same proceedings with such body corporate, and where the body corporate is convicted of the offence charged, every such director or officer shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission.

(4) Any person who would have been liable under any of the provisions of this Act or of any regulation made thereunder to any penalty for anything done or omitted if such thing had been done or omitted by him personally, shall be liable to the same penalty if such thing has been done or omitted by his partner, agent or servant, unless he proves that he took reasonable precautions to prevent the doing or omission of such thing.

## **28. Burden of proof.**

(1) In any prosecution in respect of an offence under this Act or under any regulation made thereunder upon a charge of doing any act which is unlawful unless the person doing such act is entitled to do so by reason of his being the holder of a licence, permit or written permission, consent, authorisation or exemption entitling him to do such act, it shall be sufficient for the prosecution to allege and prove his doing such act and the onus shall then be upon the accused to show that he was entitled to do such act.

(2) In any prosecution in respect of an offence under this Act or under any regulation made thereunder, the production by the person conducting the prosecution of an original invoice or a duplicate invoice proved to have been found in the possession of the seller, shall, where the person conducting the prosecution so requests, be admitted as prima facie evidence of a sale by the seller and of all the facts stated in such invoice or duplicate invoice and notwithstanding the provisions of any law to the contrary for the time being in force, the burden of proving that such sale did not take place or that any fact stated in the original invoice or duplicate invoice is not what it is stated to be, shall lie upon the accused.

## **28A. Protection of informers from discovery.**

(1) Except as hereinafter provided, no witness in any civil or criminal proceeding whatsoever under this Act or any regulation made thereunder shall be obliged or permitted to disclose the name or address of an informer or the information received from him or to state any matter which might lead to his discovery.

(2) If any book, document or paper which is in evidence or is liable to inspection in any civil or criminal proceeding whatsoever contain any entry in which any informer is named or described or which might lead to his discovery, the Court shall cause all such entries to be concealed from view or to be obliterated so far as is necessary to protect the informer from discovery.

(3) If in the trial for any offence under this Act or any regulation made thereunder the Court, after full enquiry into the case, is of the opinion that the informer wilfully made in his complaint a material statement which he knew or believed to be false or did not believe to be true, or if justice cannot be fully done between the parties thereto without the discovery of the informer, the Court may require the production of the original complaint, if in writing, and permit enquiry, and require full disclosure concerning the informer.

## **29. Goods seized in respect of which there is prosecution.**

(1) Where criminal proceedings are instituted against any person for any offence under this Act or any regulation made thereunder the Court may order the forfeiture in whole or in part of -

(a) any padi or rice in respect of which the offence has been committed which has been seized by, or has otherwise come into the possession of the Director General or any authorised officer or police officer, or any receptacle, package, conveyance, vessel or other article by means of which the offence has been committed or which is intended to be used for the commission of an offence under this Act or any regulation made thereunder; or

(b) the amount secured under section 22B(1) (a) where the receptacle, package, conveyance, vessel or other article released is not surrendered on demand being made, or the amount secured under paragraph (b), or the amount released by sale under paragraph (c), of section 22B (1).

(2) Where no order of forfeiture is made under subsection (1) the Court shall make such order as it thinks fit for the disposal of the padi, rice, receptacle, package, conveyance, vessel or other article specified in subsection (1) (a), and the amount, if any, specified in subsection (1) (b).

### **29A. Effect of forfeiture.**

Any padi, rice, receptacle, package, conveyance vessel or other article ordered or deemed to be forfeited under this Act, shall be delivered to an authorised officer and shall be disposed of in accordance with the directions of the Director General.

### **30. Jurisdiction.**

Notwithstanding anything in the Subordinate Courts Act 1948 (Act 92), a Sessions Court shall have jurisdiction to try any offence under this Act or under any regulation made thereunder, and to award full punishment for any such offence.

### **31. Saving.**

No proceedings shall be instituted under this Act against any person duly authorised in that behalf by the Director General who has knowingly done or omitted to do any act which would, but for the provisions of this section, have been an offence, provided that he has done or omitted to do such act with the intention of procuring evidence for the purpose of prosecuting the seller for an offence under this Act or under any regulation made thereunder.

## **PART VI GENERAL**

### **32. Regulations.**

The Lembaga may, with the approval of the Minister, make such regulations as may be necessary or expedient for giving full effect to the provisions of this Act including the provisions relating to the functions and powers of the Lembaga as set out in section 4, and without prejudice to the generality of the foregoing, such regulations may -

- (a) prescribe marks or labels to be affixed by retailers to the containers of padi or rice indicating the quality, grade or price of such padi or rice;
- (b) prescribe such fees or charges as may be necessary for the purposes of this Act;
- (c) prescribe any act or omission in contravention of the provision of any such regulation shall be an offence;
- (d) prescribe for matters relating to appeals by officers and servants of the Lembaga aggrieved by any decision of the Director General or any person or body in the exercise of any power delegated to the person or body by the Lembaga;
- (e) the determination of salary scales and terms and conditions of employment of the officers and servants of the Lembaga, including the provision of loans to such officers and servants; and
- (f) the establishment and management of a contributory provident fund for the officers and servants of the Lembaga or for the payment of pensions, allowances or gratuities to the said officers and servants on retirement or otherwise ceasing to hold office.

### **32A. Power to make disciplinary regulations.**

(1) The Lembaga may, with the approval of the Minister, make such disciplinary regulations as it deems necessary or expedient to provide for the discipline of the officers and servants of the Lembaga.

(2) The disciplinary regulations made by the Lembaga under this section may include provisions for the interdiction with reduction in salary or in other remuneration, or provisions for the suspension without salary or other remuneration, of an officer or servant of the Lembaga during the pendency of disciplinary proceedings.

(3) The disciplinary 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 disciplinary 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 disciplinary proceedings are taken before a decision is arrived at by the disciplinary authority on the disciplinary charge laid against such person.

### **33. Secrecy and penalty.**

(1) Except for the purposes of this Act or of any criminal proceedings under this Act, no member, officer or servant of the Lembaga shall disclose any information with respect to any individual business, which has been obtained by him in the course of his duties and which is not published in pursuance of this Act.

(2) Any person knowingly contravening the provisions of subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding one year.

### **34. Penal Code.**

The Director General and any officer or servant of the Lembaga appointed under section 10 and any authorised officer shall be deemed to be a public servant within the meaning of the Penal Code (F.M.S. Cap. 45).

### **35. Protection against legal proceedings.**

(1) No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of the Lembaga or against the Director General, officer or servant appointed by the Lembaga in respect of any act done or statement made bona fide in pursuance or execution or intended execution of this Act.

(2) Where any person is exempted from liability by reason only of the provision of this section, the Lembaga is liable to the extent that it would be if such person were a servant or agent of the Lembaga.

### **36. Non-application of certain laws to padi and rice.**

(1) On the coming into force of this Act -

(a) the Control of Supplies Act 1961 (Act 122) shall not apply to padi and rice, and that Act shall have effect as if the words, "controlled article" as defined in that Act exclude padi and rice; and

(b) the Price Control Act 1946 (Act 121) shall not apply to padi and rice, and that Act shall have effect as if the word "goods" as defined in that Act excludes padi and rice.

(2) Nothing in subsection (1) shall affect the validity of any licence, permit or authority granted or issued under the Act mentioned in that subsection and such licence permit or authority shall continue in force until superseded, revoked or otherwise terminated under this Act.

### **37. Amendment of Act 49/65 and transitional provisions.**

(1) Section 24 (1) of the Federal Agricultural Marketing Authority Act 1965 is hereby amended by substituting the words "pineapple, rubber, padi and rice" for the words "pineapple and rubber" appearing in the DEFINITION of "agricultural produce"

(2) Notwithstanding the provisions of subsection (1), the marketing schemes prescribed under section 5 of the Federal Agricultural Marketing Authority Act 1965 (Act 49/65) shall continue to have force and effect until superseded, revoked or otherwise terminated under this Act; and during the continuance of such marketing schemes, the Federal Agricultural Marketing Authority established under that Act shall notwithstanding anything in that Act and in such marketing schemes exercise on behalf of the Lembaga all the powers of the marketing board established under that Act for the purpose of such marketing schemes (hereafter in this section referred to as "the board").

(3) Subject to the provisions of this Act, all movable and immovable property and assets which immediately before the coming into force of this Act were vested in the board or in any person on behalf of the board shall on that day vest in the Lembaga.

(4) Subject to the provisions of this Act, all deeds, bonds, agreements, instruments and working arrangements subsisting immediately before the coming into force of this Act and affecting any of the property transferred under subsection (3) shall be of full force and effect against or in favour of the Lembaga and enforceable as fully and effectually as if, instead of the board or any person acting on behalf of the board, the Lembaga had been named therein or had been a party thereto.

### **37A. Statutory Bodies (Accounts and Annual Reports) Act 1980 to apply.**

The provisions of Statutory Bodies (Accounts and Annual Reports) Act 1980 (Act 240) shall apply to the Lembaga.

### **38. Things done in anticipation of this Act.**

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 promulgation of this Act, shall be deemed to have been authorised by this Act; and all rights and obligations acquired or imposed on behalf of the Lembaga from anything so done or any expenditure so incurred shall upon the coming into force of this Act be deemed to be the rights and obligations of the Lembaga.

## **SCHEDULE**

(Section 5)

### **PART I**

#### **MEMBERS, MEETING AND DISCLOSURE OF INTEREST**

1. A member of the Lembaga shall, unless his appointment is sooner resigned or revoked, hold office for such term not exceeding two years and shall be eligible for re-appointment.
2. The office of a member of the Lembaga shall be deemed to have been vacated -
  - (a) if he dies;
  - (b) if he becomes bankrupt, lunatic or of unsound mind;
  - (c) if he absents himself from three consecutive meetings without leave of the Lembaga;
  - (d) in the event of his resignation being accepted by the Minister; or
  - (e) his appointment is revoked.
3. There shall be paid to members of the Lembaga or to any person such salaries, remuneration or allowances as the Lembaga may determine with the approval of the Minister.
4. The Lembaga shall meet at least once in three months and may meet at any time when called by the Chairman.
5. (1) The quorum of the Lembaga shall be five.
  - (2) At all meetings of the Lembaga the Chairman, or in his absence, the Deputy Chairman or in the absence of both the Chairman and the Deputy Chairman, such member as the members present may elect, shall preside.
  - (3) If on any question to be determined by the Lembaga there is an equality of votes, the Chairman or the Deputy Chairman or the member presiding shall have a casting vote.
  - (4) Subject to subparagraphs (1), (2) and (3), the Lembaga shall determine its own procedure.
6. The Lembaga may 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.
7. The Lembaga may, with the approval of the Minister of Finance, make rules for the establishment and management of a contributory provident fund for the officers and servants appointed by the Lembaga or for the payment of pensions, allowances or gratuities to the said officers and servants on retirement or otherwise ceasing to hold office as such officers and servants.
8. A member 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 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.
9. Any minutes made of any meeting of the Lembaga shall, if duly signed, be receivable in evidence in all legal proceedings without further proof and every such meeting shall be deemed to have been duly convened and held and all members present at such meeting shall be deemed to have been duly qualified to act.

## PART II

### SECRETARY, COMMITTEES AND SUBCOMMITTEES

10.(1) The Lembaga shall appoint a Secretary of the Lembaga on such terms and conditions as the Lembaga may determine.

(2) The Secretary shall perform such duties and shall be paid such remuneration as the Lembaga may determine.

11.(1) The Lembaga may appoint committees for any purpose arising out of or connected with any of its powers, duties and functions under this Act; any committee so appointed shall include not less than one member of the Lembaga, and there may be appointed to such committee such other persons as the Lembaga may think fit.

(2) Any committee appointed under subparagraph (1) may appoint one or more subcommittees; any subcommittee so appointed shall include not less than one member of the committee appointing it, and there may be appointed to such subcommittee such other persons as the committee appointing it may think fit.

(3) Any committee or subcommittee so appointed shall conform to any instruction from time to time given to it by the Lembaga, and the Lembaga may at any time discontinue or alter the constitution of any committee or subcommittee so appointed.

(4) Subject to sub paragraph (3), any subcommittee shall conform to any instructions from time to time given to it by the committee appointing it, and such committee may at any time discontinue or alter the constitution of any subcommittee so appointed.

12. There may be paid to members of any committee or subcommittee such remuneration or allowances as the Lembaga may from time to time determine with the approval of the Minister.

13.(1) The Lembaga, a committee or a subcommittee may, respectively, invite any person who, in its opinion is possessed of special knowledge of advantage to it, to attend any meeting of the Lembaga, committee or subcommittee.

(2) No person so invited shall be entitled to vote at any such meeting.

14. A member of any committee or subcommittee, having directly or indirectly, by himself or his partner, any interest in any matter under discussion by the committee or subcommittee of which he is a member shall disclose to the committee or subcommittee of which he is a member the fact of his interest and the nature thereof, and such disclosure shall be recorded in the minutes of the committee or subcommittee and, unless specifically authorised by the Chairman of the committee or subcommittee, such member shall take no part in any deliberation or discussion of the committee or subcommittee relating to the matter.

15. Any minutes of any meeting of any committee or subcommittee shall, if duly signed, be receivable in evidence in all legal proceedings without further proof and every such meeting shall be deemed to have been duly convened and held and all members of the committee or subcommittee present at such meeting shall be deemed to have been duly qualified to act.

**16. Discipline of officer and servants.**

- (1) There shall be a Disciplinary Committee of the Lembaga which shall consist of two members to be elected by and from the members of the Lembaga, one of whom shall be elected chairman, and the Director General appointed under section 9 (1).
- (2) The disciplinary authority in respect of every officer and servant of the Lembaga, other than the Director General, shall be the Disciplinary Committee of the Lembaga established under subparagraph (1).
- (3) The Disciplinary Committee in respect of the Director General shall consist of the Secretary General of the Ministry of Agriculture as chairman and two members to be elected by and from the members of the Lembaga.
- (4) The Director General shall not be a member of the Disciplinary Committee in any proceedings before it in which he is the complainant; his place shall be taken by a member to be elected by and from the members of the Lembaga.
- (5) In the exercise of its disciplinary functions, the Disciplinary Committee shall have the power to impose such disciplinary punishment as may be provided for under any regulations that may be made under section 32A.
- (6) The Disciplinary Committee may, subject to subparagraph (7), delegate any of its disciplinary functions, powers or duties to any committee of officers or servants of the Lembaga, in respect of any particular officer or servant of the Lembaga or in respect of any class or category of officers or servants of the Lembaga, and the committee delegated with such functions, powers or duties shall carry out, exercise or discharge them under the direction and control of the Disciplinary Committee which shall have the power to review, rescind or vary any decision or finding of such committee.
- (7) No delegation shall be made under subparagraph (6) so as to enable an officer or servant of the Lembaga to be a member of a committee which may exercise any disciplinary authority over an officer or servant who is superior to him in rank.
- (8) Any officer or servant of the Lembaga who is dissatisfied with the decision of the Disciplinary Committee or of any committee delegated with functions, powers or duties under subparagraph (6) may, within fourteen days appeal in writing against such decision to the Lembaga which may thereupon affirm, reverse or give such directions on the matter as it deems fit and proper.
- (9) The decision of the Lembaga upon such appeal shall be final.