



LAWS OF MALAYSIA

Act A329

CONTRACTS (AMENDMENT) ACT, 1976

Pengarah
Jabatan Khidmat Undang-undang
FELDA

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CONTRACTS (AMENDMENT) ACT, 1976

An Act to amend the Contracts Act, 1950 to make provisions with respect to scholarship agreements.

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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 the Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the Contracts (Amendment) Act, 1976, and shall be construed as one with the Contracts Act, 1950 (hereinafter referred to as the "principal Act").

Short title
and
construction.
Act 136.

2. In this Act, unless the context otherwise requires—

Inter-
pretation.

"appropriate authority" means the Federal Government or a State Government, a statutory authority, or an approved educational institution;

"approved educational institution" means any institution or body declared as such by the Minister under section 3;

"existing scholarship agreement" means a scholarship agreement entered into before the commencement of this Act and which had not expired prior to the commencement of this Act;

"scholarship agreement" means any contract or agreement between an appropriate authority and any person (hereinafter in this Act referred to as a "scholar") with respect to, any scholarship, award, bursary, loan, sponsorship or appointment to a course of study, the provision of leave with or without pay, or any other facility, whether granted directly by the appropriate authority, or by any other person or body, or by any government outside Malaysia, for the purpose of education or learning of any description;

“statutory authority” means an authority established by any written law; and

“surety” means a person referred to as a surety, or as a guarantor, or by any other corresponding term, in a scholarship agreement.

Declaration of an approved educational institutional.

3. The Minister for the time being in charge of education may by notification in the *Gazette* declare any institution or body, whether corporate or unincorporate, to be an approved educational institution for the purpose of this Act.

Validity of scholarship agreement.

4. Notwithstanding anything to the contrary contained in the principal Act, no scholarship agreement shall be invalidated on the ground that—

- (a) the scholar entering into such agreement is not of the age of majority;
- (b) such agreement is contrary to any provisions of any law in force relating to moneylenders; or
- (c) such agreement lacks consideration.

Remedy in the event of breach.

5. Where a scholarship agreement has been broken by the scholar—

- (a) if a sum is named in the agreement as the amount to be paid in case of such breach, notwithstanding anything to the contrary contained in the principal Act, the scholar and the surety shall be liable jointly and severally to pay and the appropriate authority shall be entitled to be paid the whole of such named sum whether or not actual damage or loss has been caused by such breach, and no deduction shall be made from the said named sum on account of any partial period of service performed by the scholar on completion of his course of study; or
- (b) if no such sum is mentioned in the scholarship agreement, the scholar and the surety shall be jointly and severally liable to pay and the appropriate authority shall be entitled to be paid—
 - (i) the whole amount expended by the appropriate authority under the agreement; and

CONTRACTS (AMENDMENT)

5

(ii) the whole of such further amount as it will cost the appropriate authority or another authority designated by it to engage a person with qualifications and experience similar to those which were to be obtained by the scholar to perform the services required of the scholar on the completion of his course of study for the period specified in the scholarship agreement.

6. The provisions of this Act shall apply to existing scholarship agreements in the same way as they apply to scholarship agreements entered into after the coming into force of this Act. Application to existing scholarship agreements.

7. Notwithstanding anything contained in any written law to the contrary, the Sessions Court and, in the case of Sabah and Sarawak, the Court of a Magistrate of the First Class shall have jurisdiction in all civil proceedings which arise from or relate to a scholarship agreement. Jurisdiction.

8. In all proceedings which arise from or relate to a scholarship agreement— Representation.

- (a) the Federal Government, any statutory authority under the jurisdiction of the Federal Government and any approved educational institution may be represented by a Federal Counsel; and
- (b) the State Government and any statutory authority under the jurisdiction of the State Government may be represented by the respective State Legal Adviser, or the respective State Attorney-General, or a Federal Counsel authorised by either of them.

Pengarah
Jabatan Khidmat Urusan
FELDA