

BUILDING MANAGEMENT ENACTMENT 2026

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STATE OF SABAH

I assent,

TUN DATUK SERI PANGLIMA (DR.) MUSA
BIN HAJI AMAN,
Yang di-Pertua Negeri.

25 MAY, 2026.

No. 3 of 2026

An Enactment to provide for the proper management and maintenance of buildings and common property, and for other related matters.

ENACTED by the Legislature of the State of Sabah as follows:

PART I

PRELIMINARY

Short title and commencement

1. (1) This Enactment may be cited as the Building Management Enactment 2026.

(2) This Enactment comes into operation on a date to be appointed by the Minister by notification in the *Gazette* and the Minister may appoint different dates for the coming into operation of different Part or provisions of this Enactment.

Interpretation

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

“accessory parcel” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“approved company auditor” has the meaning assigned to it in section 2 of the Companies Act 2016 [*Act 777*];

“authorized officer” means an officer of the local authority or public officer authorized by the Commissioner under section 104;

“bank or financial institution” means a bank or financial institution licensed under the Financial Services Act 2013 [*Act 758*] or the Islamic Financial Services Act 2013 [*Act 759*], or regulated by the Central Bank under any written law;

“building” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“by-laws” means the by-laws in respect of a building and its common property —

(a) as prescribed by the regulations made under section 131 for regulating the control, management, maintenance, administration, use and enjoyment of the building and common property; or

(b) additionally made by the management corporation or subsidiary management corporation under section 47;

“Central Bank” means the Central Bank of Malaysia referred to in the Central Bank of Malaysia Act 2009 [*Act 701*];

“certificate of fitness for occupation” means any certificate issued under any written law for the purpose of certifying that the building has been completed and is safe and fit for occupation;

“Commissioner” means the Commissioner of Building Management appointed under section 4, and includes the Deputy Commissioner of Building Management;

“common property” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“council” means the council elected by the management corporation under this Enactment;

“defects liability period” means the defects liability period in the sale and purchase agreement executed between the purchasers and developer in respect of a parcel in the building;

“developer” means any person who engages in or carries on or undertakes or causes to be undertaken a development for the purpose of residential, commercial or industrial use, or a combination of such uses and other uses and in a case where the developer is in liquidation or receivership or under judicial management, includes a person appointed under any relevant law to be the provisional liquidator or liquidator, receiver or receiver and manager or judicial manager for the developer, as the case may be;

“developer’s management period” means the period commencing from the date of the certificate of fitness for occupation of a building until the first council meeting is convened;

“development parcel” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“Director” has the meaning assigned to it in section 4 of the Land Ordinance [*Cap. 68*];

“housing development” has the meaning assigned to it in section 2 of the Housing Development (Control and Licensing) Enactment [*No. 24 of 1978*];

“local authority” —

- (a) means an Authority established under the Local Government Ordinance 1961 [*No. 11 of 1961*] or, where no such Authority has been so established in respect of any area, the District Officer of the district in which such area is situated; and
- (b) in relation to the City of Kota Kinabalu, means the Mayor of the City of Kota Kinabalu appointed under section 4 of the City of Kota Kinabalu Enactment 1996 [*No. 15 of 1996*];

“lot” has the meaning assigned to it in section 2 on the Land (Subsidiary Title) Enactment 2026;

“maintenance account” means an account required to be opened and maintained by a developer, management corporation or subsidiary management corporation under sections 11, 27 and 37, as the case may be;

“management corporation” means the management corporation established by way of an issuance of the certificate of establishment of management corporation by the Commissioner under section 8;

“Minister” means the Minister charged with responsibility for building management;

“occupier” means the person in actual occupation or control of the parcel;

“ordinary resolution” means a resolution which is passed at a duly convened general meeting of which at least fourteen days’ notice specifying the proposed resolution has been given, and carried by a majority consisting of not less than half of the valid votes cast at the general meeting by a show of hands, or if a poll is demanded and taken, by a majority consisting of not less than half in number of the valid votes cast on such poll;

“owner” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“parcel” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“precinct” means the portions of a building, which do not necessarily be contiguous, that is designated to form the area of jurisdiction of a subsidiary management corporation comprising of parcels and precinct common property;

“precinct common property” means such part of the common property as is located within a precinct which is designated for the exclusive benefit of the parcels within that precinct;

“purchaser” means the purchaser of a parcel and includes any person who has acquired an interest as a purchaser in the parcel, or any person for the time being registered as a parcel owner;

“Register of Purchasers” means a register established under section 19;

“registered property manager” has the meaning assigned to it in section 2 of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 [Act 242];

“schedule of parcels” means the schedule prepared by the developer in the Form A of the First Schedule and shall include any amendments or modifications to the schedule;

“sinking fund account” means an account required to be opened and maintained by a developer, management corporation or subsidiary management corporation under sections 12, 27 and 37, as the case may be;

“special resolution” means a resolution which is passed at a duly convened general meeting of which at least twenty one days notice specifying the proposed resolution has been given, and carried by a majority consisting of not less than three-quarters of the valid votes cast at the general meeting by a show of hands, or if a poll

is demanded and taken, by a majority consisting of not less than three-quarters in number of the valid votes cast on such poll;

“subsidiary council” means the council elected by the subsidiary management corporation under this Enactment;

“subsidiary management corporation” means the subsidiary management corporation established by way of an issuance of the certificate of subsidiary management corporation by the Commissioner under section 36;

“register of subsidiary title” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“subsidiary title” has the meaning assigned to it in section 2 of the Land (Subsidiary Title) Enactment 2026;

“registered surveyor” has the meaning assigned to it in section 2 of the Surveyor’s Ordinance 1960 [*No. 22 of 1960*];

“this Enactment” includes any subsidiary legislation made under this Enactment;

“Tribunal” means the Building Management Tribunal established under section 81;

“unanimous resolution” means a resolution which is passed at a duly convened general meeting of which at least thirty days notice specifying the proposed resolution has been given, and carried by every valid vote cast at the general meeting by a show of hands, or if a poll is demanded and taken, by every vote cast on such poll; and

“voting rights” means the voting rights allocated to each parcel expressed in the unit of whole numbers in accordance with this Enactment.

Compliance with other laws

3. This Enactment shall not exempt any person from the obligation to comply with any other related applicable laws.

PART II

ADMINISTRATION OF THE ENACTMENT

Appointment of Commissioner, etc.

4. (1) The Minister may appoint, from amongst the members of State public service, a Commissioner of Building Management and a Deputy Commissioner of Building Management.

(2) There shall be such number of Assistant Commissioners of Building Management and other officers, from amongst the members of State public service, as may be necessary or expedient to assist the Commissioner in the performance of his functions or in the exercise of his powers under this Enactment.

Functions and powers of the Commissioner

5. (1) Subject to the general or special directions of the Minister, the Commissioner shall be responsible for the administration of this Enactment and shall, subject to the provisions of this Enactment, have the general superintendence, direction and control of all matters relating to building management and maintenance.

(2) The Commissioner shall have the following functions:

- (a) to supervise, regulate and control the establishment and operation of management corporation and subsidiary management corporation;
- (b) to keep and maintain such records or information relating to management corporation, subsidiary management corporation, developers and registered property manager as may be necessary for the administration of this Enactment;
- (c) to ensure compliance with the provisions of this Enactment relating to the management and maintenance of buildings and common property;

- (d) to inquire into complaints relating to the management and maintenance of buildings and common property;
- (e) to issue practise standards and guidelines which are consistent with this Enactment;
- (f) to advise the Minister on the policy and administration relating to the proper management and maintenance of buildings and common property; and
- (g) to carry out such other functions as may be necessary and expedient for the proper implementation of this Enactment.

(3) The Commissioner shall have the power to do all things expedient or reasonably necessary for or incidental to the performance of his functions.

(4) The Commissioner may, in writing, delegate any of his powers or functions under this Enactment to any Assistant Commissioner of Building Management or other officers appointed under section 4.

(5) Any delegation under subsection (4) may be revoked by the Commissioner and shall not prevent the Commissioner from exercising or performing the powers or functions so delegated.

Power of Minister to give directions and require information

6. (1) The Minister may give to the Commissioner such directions, consistent with the provisions of this Enactment, relating to the performance of his functions, and the Commissioner shall comply with such directions.

(2) The Commissioner shall furnish to the Minister such reports, returns, accounts and information relating to the performance of his functions as the Minister may require.

PART III
SCHEDULE OF PARCELS

Schedule of parcels shall be filed with the Commissioner before sale of any parcel

7. (1) A developer shall, before the sale of any parcel, file with the Commissioner a schedule of parcels in respect of the building plan approved by the local authority.

(2) The schedule of parcels shall be made in Form A of the First Schedule.

(3) Where the schedule of parcels are in relation to housing development, the developer shall comply with all requirements under the Housing Development (Control and Licensing) Enactment 1978 and its subsidiary legislation.

(4) Where an amendment to the schedule of parcels prepared by the developer has been approved by the local authority, the developer shall, within fourteen days from the date of such approval, file the amended schedule of parcels with the Commissioner.

(5) Any developer who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

PART IV
MANAGEMENT CORPORATION

Establishment of management corporation

8. (1) The developer shall, within fourteen days from the date of the certificate of fitness for occupation of a building, apply to the Commissioner in the prescribed form accompanied with the prescribed fee for a certificate of establishment of management corporation.

(2) The Commissioner may, if he is satisfied that the requirements under subsection (1) have been complied with, issue the certificate of establishment of management corporation, within one month after receiving the application under subsection (1).

(3) The certificate of establishment of management corporation shall be sufficient evidence of the existence of the management corporation for the purpose of opening bank accounts with any bank or financial institution and for any matter necessary for the management of the building.

(4) A management corporation established under this section —

- (a) shall comprise of all purchasers of the parcels in the building and, where there are unsold parcels, the developer in respect of those parcels;
- (b) shall be a body corporate with perpetual succession and has a common seal;
- (c) may sue and be sued in its corporate name;
- (d) shall be called in the manner as prescribed; and
- (e) shall be the custodian of the lease to the lot.

(5) The management corporation shall, at its first annual general meeting, elect a council to —

- (a) perform the duties and conduct the business of the management corporation; and
- (b) exercise any of its powers,

subject to any restriction imposed or direction given at that annual general meeting.

(6) A management corporation shall have the powers, duties and functions conferred or imposed on it by or under this Enactment or by the by-laws in respect of the building and, subject to this Enactment, has the control, management and administration of the common property of the building.

(7) The Third Schedule shall apply to the management corporation and its council.

(8) Any developer who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

PART V

BUILDING MANAGEMENT DURING DEVELOPER'S MANAGEMENT PERIOD

Application of this Part

9. This Part applies to any building during the developer's management period.

Duties and powers of developer during developer's management period

10. (1) During the developer's management period, the developer shall be responsible for the proper management and maintenance of the building and the common property.

(2) For the purposes of subsection (1), the developer —

- (a) shall act as trustee for the purchasers;
- (b) shall determine and impose the amount of contributions payable by the purchasers to the maintenance account and sinking fund account;
- (c) shall keep the common property in good repair;
- (d) shall effect insurance as required under this Enactment;

- (e) shall comply with any notice or order given or made by the local authority, Commissioner or other public authority in relation to the common property;
- (f) shall prepare and maintain a Register of Purchasers;
- (g) shall cause the accounts required under this Enactment to be audited annually by an approved company auditor and to submit the audited financial statements to the Commissioner and purchasers;
- (h) shall enforce the deed of mutual covenants and by-laws for regulating the control, management, administration, use and enjoyment of the building and its common property;
- (i) shall pay the rates for the common property and the annual rent for the lot;
- (j) shall disclose any pecuniary interest or conflict of interest in contracts, properties or arrangements relating to the building before entering into such contracts, properties or arrangements;
- (k) shall set aside, out of the common property of the building, separate and distinct areas for the purposes of an administration office and for the management operations for the carrying out of the duties of the developer under this Enactment; and
- (l) shall do such other things as may be expedient or necessary for the management and maintenance of the buildings and the common property.

(3) The developer may —

- (a) collect the contribution to the maintenance account in respect of the use category of parcels from the purchasers in proportion to the area of their respective parcels;

- (b) collect the contribution to the sinking fund account in respect of the use category of parcels from the purchasers which shall not be less than ten percent of the contribution to the maintenance account;
 - (c) authorise expenditure for management and maintenance of the building and common property; and
 - (d) recover expenses incurred from any purchaser in respect of their parcel.
- (4) The developer shall not —
 - (a) borrow money or give security over the common property;
 - (b) amend the by-laws in a manner imposing obligations on one or more but not all purchasers; or
 - (c) enter into or cause to be entered into any contract relating to the maintenance, service or management of the building or the common property which extends beyond the date of the first annual general meeting of the management corporation, but any such contract shall, upon its expiry, be deemed to continue on a month-to-month basis unless and until terminated by the management corporation by one month's written notice.
- (5) Any developer who contravenes this section commits an offence and shall on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Developer to open a maintenance account

11. (1) The developer shall, before any contributions to the maintenance account or other charges are collected from the purchasers of any parcel in the building, open and maintain a maintenance account in respect of

the building in the name of the management corporation with a bank or financial institution within one month from the date of the certificate of establishment of the management corporation.

- (2) The developer shall pay into the maintenance account —
- (a) in respect of every parcel sold in the building, all contributions received by the developer from the purchasers;
 - (b) in respect of every parcel or development parcel not yet sold in the building, an amount equal to the amount of contributions payable by a purchaser to the developer had the parcel or development parcel been sold;
 - (c) any income derived from the common property; and
 - (d) any deposits or moneys collected from the purchasers pursuant to the sale and purchase agreement for the purpose of management and maintenance of the common property,

and all such moneys shall be deposited into the maintenance account within three working days of receiving the moneys.

- (3) The maintenance account —
- (a) shall not form part of the developer's assets;
 - (b) shall be held on trust by the developer for the purchasers until the expiry of the developer's management period; and
 - (c) shall only be used solely for the purpose of meeting the actual or expected general or regular expenditure necessary in respect of the following matters:
 - (i) maintaining the common property in good condition on a day-to-day basis, including the payment of utilities, cleaning and security services;

- (ii) paying for the expenses incurred in providing amenities within the common property for the use of the occupiers of the building;
- (iii) paying any premium for the insurance effected under this Enactment;
- (iv) complying with any notice or order given or made by the local authority in respect of inspection of the building or any part thereof;
- (v) minor painting work on the premises of the common property;
- (vi) carrying out inspection of all electrical wiring systems of the common property and replacing or repairing any faulty wiring system, if any;
- (vii) carrying out inspection, maintenance and repair of the main water tanks, sewers, pipes, wires, cables and ducts used or capable of being used in connection with the enjoyment of two or more parcels, or the common property of that building;
- (viii) paying annual rent and rates in respect of the common property, if any;
- (ix) paying any fee incurred for the auditing of the accounts required to be maintained by the developer under this Enactment;
- (x) paying all charges reasonably incurred for the administration of the accounts required to be maintained by the developer under this Enactment as may be determined by the Commissioner;
- (xi) paying the remuneration or fees for the registered property manager appointed by the developer or by the Commissioner;

- (xii) paying any expenses, costs or expenditure in relation to the procurement of services, including the engagement of consultants, legal fees or costs and other fees and costs, properly incurred or accepted by the developer in the performance of its functions and the exercise of its powers and duties under this Enactment; or
- (xiii) paying other expenses of a general or regular nature relating to the management and maintenance of the building and the common property.

(4) Any developer who contravenes this section commits an offence and shall on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Developer to open a sinking fund account

12. (1) Upon opening and maintaining the maintenance account under section 11, the developer shall also open and maintain a sinking fund account in the name of the management corporation with a bank or financial institution.

(2) The developer shall pay into the sinking fund account —

- (a) in respect of every parcel sold in the building, all contributions to the sinking fund received by the developer from the purchasers; or
- (b) in respect of every parcel or development parcel not yet sold in the building, an amount equal to the contribution of sinking fund which would have been payable by a purchaser of such parcel or development parcel,

and all such money shall be deposited into the sinking fund account within three working days of receiving the money.

- (3) The sinking fund account shall —
- (a) not form part of the developer's assets;
 - (b) be held on trust by the developer for the purchasers until the expiry of the developer's management period; and
 - (c) be used solely for the purpose of meeting actual or expected general or regular expenditure necessary in respect of the following matters:
 - (i) the painting or repainting of any part of the common property;
 - (ii) the acquisition of any movable property for use in relation to the common property;
 - (iii) the renewal or replacement of any fixtures or fittings comprised in the common property or any movable property vested in the management corporation;
 - (iv) the upgrading and refurbishment of the common property; and
 - (v) any other expenditure as may be prescribed under this Enactment.

(4) Any developer who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Purchaser and developer to pay contributions

13. (1) The purchaser shall, within one month after receiving a written notice from the developer, pay the required contributions towards the maintenance account and sinking fund account established under this Enactment.

(2) The developer shall pay the contribution in respect of those parcels which have not been sold, being a sum equivalent to the contributions payable by the purchasers to the developer had the parcels been sold.

(3) Where contributions are paid in a lump sum, the developer shall apportion the amount and transfer the respective sums into the appropriate accounts as soon as practicable and in any event not later than one week after the end of each month.

(4) Where any contribution remains unpaid after the expiry of the period specified under subsection (1), the purchaser shall pay interest on the outstanding sum at the rate of twenty-four per centum per annum calculated on a daily basis until full payment is made.

(5) Where the developer intends to vary the rate of contribution specified in the sale and purchase agreement, he shall appoint a registered property manager to determine and certify the rate of contribution per unit area for each parcel and the registered property manager may certify different rates for parcels according to their respective categories of use, but the amount payable by each purchaser shall be proportionate to the area of his parcel.

(6) Where a restriction is imposed by a relevant authority on a category of use of a parcel, the developer may, in respect of the parcels affected with that restriction, reduce or exempt the interest payable under subsection (3).

(7) Any payments made by a purchaser or any party making such payment on behalf of the purchaser shall be applied in the accounts of the management corporation by discharging sums owing in the following order of priority:

- (a) late payment interest;
- (b) penalties;
- (c) miscellaneous charges already due;

- (d) sinking fund account contributions; and
- (e) maintenance account contributions.

(8) Any developer who contravenes subsection (2), (3) or (5) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both, and in the case of a continuing offence, to a further fine not exceeding five thousand ringgit for every day or part thereof during which the offence continues after conviction.

Duties of developer in relation to accounts

14. (1) A developer shall, in respect of the maintenance account and sinking fund account, appoint an approved company auditor to carry out audit of the accounts annually and the accounts shall be —

- (a) in the case where the control of all balances of money is to be transferred under section 18, audited up to the date of the actual transfer of the control; or
- (b) in the case where the accounts are to be presented at the first annual general meeting of the management corporation, up to the date not earlier than three months before the meeting.

(2) A certified copy of the audited accounts and the auditor's report shall be filed with the Commissioner within twenty-eight days of completion of the audit.

(3) Where the Commissioner has reasonable grounds to believe that there has been mismanagement or improper handling of the maintenance account or sinking fund account by the developer, the Commissioner may appoint an approved company auditor to audit such accounts, and the cost of such audit shall be borne by the developer.

(4) The developer shall publish the audited accounts in a conspicuous part of the building within fourteen days after the completion of the audit for a period of not less than eight weeks.

(5) The developer shall, at any other time when requested by the purchaser of any parcel in the building or his authorized agent to view the audited accounts, permit copies to be made or extracts to be taken from such audited accounts.

(6) Any developer who contravenes this section commits an offence and shall on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit, and in the case of a continuing offence, to a further fine not exceeding five thousand ringgit for every day during which the offence continues after conviction.

Duty to rectify defects

15. (1) The developer shall, at its own cost, rectify all defects in the common property, if any, arising during the defects liability.

(2) The developer shall cause an architect, engineer or registered property manager to carry out an inspection of the common property including installed building plant and equipment and to prepare a detailed schedule of defects, if any, for submission to the Commissioner, and to the developer to rectify the defects within the period of one month before the defects liability period expires.

(3) The developer shall not utilise the maintenance account or sinking fund accounts for the purposes of subsection (1).

(4) Any developer who contravenes this section commits an offence and shall on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit, and in the case of a continuing offence, to a further fine not exceeding one thousand ringgit for every day during which the offence continues after conviction.

(5) For the purposes of this section, “common property” excludes any common property of a housing development.

Duty of developer to convene first annual general meeting

16. (1) The developer shall convene the first annual general meeting of the management corporation no later than fifteen months from the date of issuance of the certificate of fitness of occupation.

(2) The developer shall give written notice of the first annual general meeting to all purchasers not less than twenty-one days before the meeting and a copy of such written notice shall be displayed in a conspicuous part of the building.

(3) At the first annual general meeting, the developer shall present an annual budget for a period of twelve months starting from the first day of the month immediately after the date of the first annual general meeting.

(4) The agenda for the first annual general meeting shall include the following matters:

- (a) to decide whether to confirm, vary or extend insurances effected by the management corporation;
- (b) to decide whether to confirm or vary any amount determined as contribution to the maintenance account;
- (c) to determine the number of members of the council and to elect the members of the council where there are more than three purchasers;
- (d) to decide whether to adopt, amend, add to or repeal the by-laws in force immediately before the holding of the meeting by virtue of the sale and purchase agreement; and
- (e) to approve the persons authorized to be signatories to the management corporation’s bank accounts.

(5) The rights and liabilities of the developer under any contract relating to the management, maintenance or operation of the building shall, to the extent that they were subsisting immediately before the establishment of the management corporation, devolve upon the management corporation upon its establishment.

(6) Where the developer fails to convene the first annual general meeting within the period under subsection (1), the Commissioner may, on the application of a purchaser or chargee, appoint a registered property manager to convene the first annual general meeting and the developer shall pay the expenses incurred for that purpose.

(7) The registered property manager appointed under subsection (6) shall preside at the first annual general meeting and be deemed to be the chairperson of the management corporation for such meeting.

(8) The developer shall not utilise funds from the maintenance account or sinking fund account to pay expenses incurred under subsection (6).

(9) Any developer who contravenes with this section commits an offence and shall on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both, and in the case of a continuing offence, to a further fine not exceeding five thousand ringgit for each day the offence continues.

Recovery of contributions and charges by developer

17. (1) Where any contribution or charges payable under this Enactment remains unpaid after the period specified in a written notice by the developer, the developer may recover the amount as a debt due to the developer.

(2) Any contribution or charges payable under this Enactment shall attach to the parcel in respect of which it is imposed, not subject to Limitation Ordinance [*Cap. 72*] and shall not be personal to the purchaser.

(3) The developer may register the unpaid amount as a charge on the parcel in accordance with the Land Ordinance and may enforce the charge, including by sale of the parcel, in the manner provided by law.

(4) Any discrepancy in the amount due shall not invalidate the disposal proceedings under subsection (3).

(5) The purchaser, his successor in title, chargee or assignee shall be jointly and severally liable for all amounts due under this Enactment.

(6) The rate of interest on late payments, the order of application of payments and any other related matters shall be as prescribed.

Handing over of control by developer to the management corporation

18. (1) A developer shall, before the developer's management period expires —

- (a) transfer the control all balances of moneys in the maintenance account and the sinking fund account, after payment of all the expenditure which have been properly charged to the accounts, to the management corporation; and
- (b) hand over to the management corporation —
 - (i) the Register of Purchasers;
 - (ii) the administration office set up by the developer;
 - (iii) the audited accounts of the maintenance account and the sinking fund account or, if such accounts have not been audited, the unaudited accounts;
 - (iv) all the assets of the building and the common property;
 - (v) all records relating to and necessary for the management and maintenance of the buildings and the common property; and

- (vi) all invoices, receipts and payment vouchers in respect of the maintenance account and sinking fund account.

(2) If only unaudited accounts have been handed over under subparagraph (1)(b)(iii), the developer shall, not more than three months after the expiry of the developer's management period, hand over to the management corporation the audited accounts up to the date of transfer of the balances of moneys referred to in paragraph (1)(a).

(3) If any balance of moneys in the maintenance account and the sinking fund account has not been transferred under paragraph (1)(a), the moneys shall vest in the management corporation on the date of its establishment, without prejudice to any right of the management corporation to recover such moneys.

(4) Without prejudice to the generality of subparagraph (1)(b)(v), the developer shall deliver to the management corporation copies of all of the following documents:

- (a) all approved plans for buildings relating to the development area;
- (b) any document in the developer's possession that indicates, as far as practicable, the actual location of any pipe, wire, cable, chute, duct or other facility for the passage or provision of systems or services, if the developer has reason to believe that the pipe, wire, cable, chute, duct or other facility is not located as shown on an approved plan or an approved amended plan;
- (c) all contracts entered into by the developer in respect of the maintenance or management of any building and the common property comprised in the development area;
- (d) a copy of the schedule of parcels or the amended schedule of parcels, if applicable, filed with the Commissioner and a copy of the Form A filed with the Director in accordance with the Land (Subsidiary Title) Enactment 2026, if any;

- (e) the names and addresses of such contractors, subcontractors and persons who supplied labour or materials to the development area during the construction of any building and the common property comprised in the development area;
- (f) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturer's documentation and other similar information in respect of the construction, installation, operation, maintenance, repair and servicing of any common property, including any warranty or information provided to the developer by any person referred to in paragraph (e); and
- (g) the original copy of all insurance policies effected under this Enactment.

PART VI

REGISTER OF PURCHASERS

Preparation of Register of Purchasers

19. (1) The developer shall, upon being issued with a certificate of establishment of management corporation under section 8, prepare a Register of Purchasers for the purposes of this Enactment.

(2) The Register of Purchasers shall contain such particulars as may be determined by the Commissioner.

(3) Any developer who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Maintenance of Register of Purchasers

20. (1) The developer shall maintain and update every particular recorded in the Register of Purchasers until the expiry of the developer's management period.

(2) Upon the expiry of the developer's management period, the developer shall handover the control of the Register of Purchasers to the management corporation which shall then assume the duty to maintain the Register of Purchaser.

(3) Any developer who contravenes subsection (1) or (2) commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit.

(4) Any management corporation who contravenes subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit.

Duty of the purchaser to inform

21. (1) Any purchaser shall have the duty to inform the developer or the management corporation, as the case may be, on the details of —

- (a) any change of ownership of his parcel;
- (b) any dealing to the parcel which he is aware of; or
- (c) any change of his address for the service of document,

within the period of sixty days where the circumstances of change has arisen or came within his knowledge.

(2) Any purchaser who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit.

Filing of Register of Purchasers

22. (1) The developer shall file the Register of Purchasers with the Commissioner at least fourteen days before the first annual general meeting of the management corporation.

(2) The management corporation shall, after the first annual general meeting under section 16 is held, file the Register of Purchasers on an annual basis with the Commissioner at least fourteen days before its annual general meeting.

(3) Any developer who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(4) Any management corporation who contravenes subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit.

PART VII

BUILDING MANAGEMENT AFTER DEVELOPER'S MANAGEMENT PERIOD

Application of this Part

23. This Part shall apply after the expiry of the developer's management period.

Duties and powers of the management corporation

24. (1) The management corporation shall have the following duties:

- (a) to maintain and manage the building and common property and keep it in a state of good and serviceable repair;
- (b) to determine and impose contributions to the maintenance account and sinking fund account;
- (c) to effect insurance as required under this Enactment and to insure against such other risks as may be determined by an ordinary resolution;
- (d) to pay the annual rent and rates in respect of the common property;
- (e) to comply with any notice or order given or made by the local authority or any competent public authority requiring the abatement of nuisance, or ordering repairs or other work to be done in respect of the common property;
- (f) to maintain the Register of Purchasers in accordance with this Enactment;
- (g) to ensure the accounts of the management corporation to be audited annually and to provide the audited financial statements to the Commissioner and its members;
- (h) to enforce the by-laws; and
- (i) to convene general meetings in accordance with the Third Schedule.

(2) The management corporation shall have the following powers:

- (a) to collect contributions to the maintenance account and sinking fund account from purchasers in proportion to the floor area of their parcels;
- (b) to authorize expenditure for the maintenance and management of the building and common property;
- (c) to recover from any purchaser any sum expended in complying with any notice or order referred to in paragraph (1)(e);

- (d) to acquire movable property for use in connection with the common property;
- (e) to employ a registered property manager for the administration of the management corporation;
- (f) to make additional by-laws or make amendments to such additional by-laws, not inconsistent with the by-laws prescribed by the regulations for the proper maintenance and management of the building and common property; and
- (g) to do all things reasonably necessary for the performance of its duties under this Enactment.

(3) The management corporation may, by special resolution in a general meeting, undertake improvements to the common property that materially change its use or appearance or increase its operating costs.

Powers of the management corporation to carry out work

25. (1) The management corporation may carry out work on or in relation to a parcel or the common property in the following circumstances:

- (a) where a notice has been served on a purchaser by any public authority requiring that purchaser to carry out any work on or in relation to the parcel and the notice is not complied with;
- (b) where the purchaser, chargee, lessee or occupier of the parcel fails to —
 - (i) remedy any breach of duty imposed under the by-laws made under this Enactment;
 - (ii) repair any damage caused to the common property as directed by the management corporation, including damage caused to the pipes, cables,

ducts or other building services running through the parcel, or to the building structure; or

(iii) rectify any defect in any water pipe, sewer pipe, cable or duct which is exclusively used by that parcel and is located within, leads to or serves that parcel, or any crack in the wall or floor within that parcel; or

(c) where any order of the Tribunal, including an interim order, requiring any work to be carried out is not complied with.

(2) The cost of any work carried out by the management corporation under subsection (1) shall be recoverable as a debt —

(a) from the purchaser, chargee, lessee or occupier referred to in subsection (1); or

(b) where the work relates to a parcel and ownership of the parcel has changed after the work was carried out, from the person who becomes the purchaser of the parcel.

(3) Notwithstanding subsection (2), where the management corporation carries out any work under paragraph (1)(c), the cost of the work shall be recoverable in accordance with section 31.

Powers of the management corporation to enter parcels

26. (1) The management corporation may, for the purpose of carrying out any inspection or work —

(a) if required by any notice served on it by a Government or statutory authority;

(b) if required by any order of the Commissioner; or

(c) in the exercise of its powers and duties under this Enactment,

enter any parcel in the building in accordance with subsection (2).

(2) The management corporation may, by its agents, employees or contractors, enter upon any parcel —

(a) at any time, in the case of an emergency; or

(b) at all reasonable times, in any other case, after giving reasonable notice to the occupier.

(3) Any person who obstructs or hinders the management corporation in the exercise of its powers under this section commits an offence.

(4) The purchaser of the parcel shall take all reasonable steps to prevent or reduce any damage or loss arising from the work carried out under this section and shall have no right to claim against the management corporation for any such damage or loss.

Maintenance account and sinking fund account of the management corporation

27. (1) Upon establishment, the management corporation shall assume control of the maintenance account and sinking fund account opened in its name under this Enactment and shall hold all moneys in those accounts in trust for the purchasers and continue to maintain such accounts in accordance with this Part.

(2) All contributions and money payable to the maintenance account and sinking fund account shall be —

(a) applied only for the purposes specified under paragraphs 11(3)(c) and 12(3)(c) of this Enactment; and

(b) administered in such manner as may be prescribed.

(3) The management corporation may, through an ordinary resolution at a general meeting —

- (a) raise the amount of contributions to the maintenance account and sinking fund account;
- (b) impose a different rate of contribution per floor area of the parcel for different categories of use;
- (c) impose interest of twenty four percent per annum on late payments; and
- (d) impose additional contributions to the maintenance account and sinking fund account where necessary to meet expenditure.

(4) Any contributions to the maintenance account and sinking fund account imposed under this section shall be recoverable from the purchasers in the manner provided under this Enactment.

Duties of the management corporation in relation to accounts

28. (1) The management corporation shall —

- (a) maintain proper accounts and records sufficient to show all of its transactions and financial position;
- (b) cause the accounts to be audited annually by an approved company auditor; and
- (c) file the audited accounts with the Commissioner within the period of six months after the end of the financial year.

(2) Where the Commissioner has reasonable grounds to believe that there has been mismanagement or improper handling of the maintenance account or sinking fund account by the management corporation, the Commissioner may appoint an approved company auditor to audit the accounts, and the cost of such audit shall be borne by the management corporation.

(3) The management corporation shall furnish to the Commissioner such returns, reports, accounts or information relating to its finances as the Commissioner may require.

(4) If the management corporation contravenes this section, every council member of the management corporation commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(5) In proceedings under subsection (4), it shall be a defence if the council member proves that —

- (a) the offence was committed without his knowledge, consent or connivance; and
- (b) he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

(6) This section shall not apply to a management corporation with one purchaser, and in the case of a management corporation with not more than four purchasers, the audited accounts requirement shall not apply if all purchasers sign the accounts as a true record.

Purchasers to pay contributions and other charges

29. (1) The contributions to the maintenance account and sinking fund account imposed by the management corporation in respect of each parcel shall be payable by the purchaser in proportion to the floor area of his parcel.

(2) Where there are different categories of use in a building, the management corporation may, by ordinary resolution at a general meeting, impose different rates of contribution to the maintenance account and sinking fund account for each category of use, provided that the total contribution to the maintenance account and sinking fund account for each parcel shall be proportionate to its floor area.

(3) A chargee of a parcel shall be jointly and severally liable with the purchaser for —

- (a) any contribution to the maintenance account or sinking fund account;
- (b) any other amount payable if notice of such amount has been served on the chargee; and
- (c) interest on any of the above amounts.

(4) In this section, “purchaser” includes a chargee, a trustee, and any person receiving rent from the parcel or who would be entitled to receive the rent if the parcel were let.

Other matters concerning contributions

30. (1) The rate of contributions payable in respect of any development parcel or unsold parcel shall be calculated with reference to the planned category of use and floor area of such parcels.

(2) The Minister may, before a certificate of fitness for occupation is issued, reduce the rate of contribution payable in subsection (1), having regard to the use and enjoyment of the common property within such development.

(3) The management corporation may —

- (a) grant rebates or discounts on contributions to the maintenance account and sinking fund account only in such circumstances as it considers appropriate, subject to an ordinary resolution of the management corporation passed at an annual general meeting;
- (b) allow contributions to the maintenance account and sinking fund account to be paid by instalments on such terms as it considers appropriate; and

- (c) impose additional contributions to the maintenance account and sinking fund account on any parcel where only that parcel benefits from particular services or facilities.

Recovery of contributions and charges by management corporation

31. (1) Where any contribution or charges payable under this Enactment remains unpaid after the period specified in a written notice by the management corporation, the management corporation may recover the amount as a debt due to the management corporation.

(2) Any contribution or charge payable under this Enactment shall attach to the parcel in respect of which it is imposed, not subject to the Limitation Ordinance and shall not be personal to the purchaser.

(3) The management corporation may register the unpaid amount as a charge on the parcel in accordance with the Land Ordinance and may enforce the charge, including by sale of the parcel, in the manner provided by law.

(4) Any discrepancy in the amount due shall not invalidate the proceedings under subsection (3).

(5) The purchaser, his successors in title, chargee or assignee shall be jointly and severally liable for all amounts due to the management corporation under this Enactment.

(6) The rate of interest on late payments, the order of application of payments and any other related matters shall be as prescribed.

Acquisition of additional land and easement

32. (1) A management corporation, if authorised by a special resolution at a general meeting, may —

- (a) acquire any land or parcel within or outside the lot where the building stands for purposes connected with the building or the management corporation;
 - (b) grant any easement over the lot for the benefit of other land; or
 - (c) accept any easement in favour of the lot from other land.
- (2) Any land or parcel acquired under paragraph (1)(a) —
 - (a) shall be treated and dealt with as if it were part of the common property; and
 - (b) shall be held under a separate title without the need for amalgamation with the lease of the lot.
- (3) Where the management corporation executes any instrument for the purposes under subsection (1) —
 - (a) the instrument shall be valid if executed under the common seal of the management corporation by two council members authorized by an ordinary resolution;
 - (b) any payment made to the management corporation under the instrument shall be a full and sufficient discharge to the payer; and
 - (c) the instrument shall be endorsed with or accompanied by a certificate under the common seal of the management corporation stating that —
 - (i) the ordinary resolution directing the transaction to which the instrument relates was duly passed; and
 - (ii) the transaction conforms with the terms of the ordinary resolution.
- (4) A certificate given under paragraph (3)(c) shall be conclusive evidence of the facts stated in it.

PART VIII

SUBSIDIARY MANAGEMENT CORPORATION AND PRECINCT COMMON PROPERTY

Application of this Part

33. This Part shall apply to any building where subsidiary management corporations are created for the purpose of managing precinct common property.

Establishment of subsidiary management corporation

34. (1) Precinct common property may be designated, and one or more subsidiary management corporation may be established, where it is necessary to represent or manage the different interests of the purchasers having distinct usage or facilities, including —

- (a) residential and non-residential parcels;
- (b) different categories of non-residential parcels;
- (c) different categories of residential parcels; or
- (d) such other parcels as may be prescribed.

(2) Each subsidiary management corporation may comprise one or more parcels and shall be responsible for the management and maintenance of the precinct common property designated for its use and enjoyment.

Creation of precincts

35. (1) A precinct may be designated —

- (a) before the establishment of the management corporation—

- (i) by the developer on the approved building plan; or
 - (ii) by direction of the Commissioner, where the Commissioner considers it necessary for proper management and maintenance of the building and common property; or
 - (b) after the establishment of the management corporation—
 - (i) by the developer during the developer’s management period;
 - (ii) by the management corporation pursuant to a special resolution; or
 - (iii) by direction of the Commissioner, where the Commissioner considers it necessary for proper management of the building and common property.
- (2) A precinct designation shall —
- (a) clearly show the boundaries, and parcels entitled for the use of the precinct common property; and
 - (b) be filed with the Commissioner in the manner as determined by him.
- (3) Any shared facilities or utilities serving more than one precinct, or serving parcels outside the precinct, shall remain as part of the common property under the management corporation.
- (4) The designation of a separate precinct is not required where a different use only forms a small component of the building and is ancillary to the main use of the building unless the Commissioner directs otherwise.
- (5) The management corporation and the affected subsidiary management corporation may, through a special resolution —

- (a) amend the boundaries of a precinct, common property or precinct common property; or
- (b) amalgamate two or more precinct.

(6) Notwithstanding any designation under this section, access rights to common property or other precinct property through any precinct common property shall be preserved.

Administration of subsidiary management corporation

36. (1) A subsidiary management corporation established under this Part shall —

- (a) comprises all purchasers of the parcels within the designated precinct and, where there are unsold parcels, the developer in respect of those parcels;
- (b) be a body corporate capable of suing and being sued, having perpetual succession and a common seal; and
- (c) be issued with a certificate of establishment of subsidiary management corporation by the Commissioner, which shall be conclusive evidence of its formation for all purposes, including opening bank accounts and carrying out its functions.

(2) A subsidiary management corporation shall elect a subsidiary council which, subject to any restriction imposed or direction given at a general meeting, shall perform the duties and conduct the business of the subsidiary management corporation on its behalf and may exercise all its powers for that purpose.

(3) The purchasers and, where there are unsold parcels, the developer in respect of those parcels, who constitutes a subsidiary management corporation may hold meetings and pass resolutions in the same manner as for a management corporation.

(4) One member of the subsidiary council shall be elected by the subsidiary council as a member of the council of the management corporation.

(5) The provisions of the Third Schedule shall apply, with the necessary modifications, to a subsidiary management corporation and its subsidiary council.

Duties and powers of subsidiary management corporation

37. (1) A subsidiary management corporation shall have, in relation to its precinct common property, the same powers and duties as a management corporation under this Enactment, subject to necessary modifications and unless otherwise provided.

(2) The following matters remain to be the responsibility of the management corporation unless otherwise agreed under subsection (3) —

- (a) annual rent and rates in respect of the lot and the common property;
- (b) works involving the external facade and appearance of the building;
- (c) landscaping, external roads, drains and lighting;
- (d) access through and to common property;
- (e) services or facilities for the benefit of two or more precincts or parcels outside any precinct; and
- (f) structural elements supporting two or more precincts.

(3) A management corporation and a subsidiary management corporation may, if authorised by a special resolution at their respective general meeting, execute an instrument authorising subsidiary management corporation to undertake any of the matters stipulated under subsection (2).

(4) A subsidiary management corporation shall —

- (a) establish and maintain its own maintenance account and sinking fund account;
- (b) enforce by-laws within its precinct common property;
- (c) pay contributions to the maintenance account and sinking fund account due to the management corporation for common property in full each month; and
- (d) manage, control and administer its precinct common property.

(5) A subsidiary management corporation shall not enter into any contracts or initiate any proceedings in the name of the management corporation, and the management corporation shall not be liable for debts or obligations of any subsidiary management corporation.

(6) A subsidiary management corporation may, on such terms as agreed —

- (a) between the management corporation and subsidiary management corporation, authorize the subsidiary management corporation to manage or maintain any common property within the building on behalf of the management corporation; or
- (b) between two subsidiary management corporations of a management corporation, authorize anyone among them to manage or maintain —
 - (i) any common property within the building; or
 - (ii) any of their precinct common property.

Contributions where there are subsidiary management corporation

38. (1) Where a subsidiary management corporations is established under section 35, the management corporation shall apportion its expenses fairly between the subsidiary management corporations and any of its parcels not located within a precinct.

(2) For the purpose of subsection (1), a registered property manager may be appointed to calculate and determine the expenses by the subsidiary management corporation whenever a dispute arises on the apportionment, and the party aggrieved by the calculation of the registered property manager may appeal to the Tribunal.

(3) The management corporation shall bill each subsidiary management corporation and any of its parcels not located within a precinct for their respective shares of contributions, at such intervals and in such manner as may be prescribed.

(4) The management corporation shall maintain separate book of accounts for each subsidiary management corporation and for any of its parcels not located within a precinct.

Recovery of contributions and charges by subsidiary management corporation

39. (1) A subsidiary management corporation shall determine the contributions payable for its precinct common property for both maintenance account and sinking fund account.

(2) The subsidiary management corporation shall pay the management corporation its share of contributions for the common property.

(3) Where any contribution or charges under this Enactment remains unpaid after the period specified in a written notice by the subsidiary management corporation, the subsidiary management corporation may recover the amount as a debt due to the subsidiary management corporation.

(4) Any contribution or charges payable under this Enactment shall attach to the parcel in respect of which it is imposed, not subject to Limitation Ordinance and shall not be personal to the purchaser.

(5) The subsidiary management corporation may register the unpaid amount as a charge on the parcel in accordance with the Land Ordinance and may enforce the charge, including by sale of the parcel, in the manner provided by law.

(6) Any discrepancy in the amount due shall not invalidate the disposal proceedings under subsection (5).

(7) The purchaser, his successor in title, chargee or assignee shall be jointly and severally liable for all amounts due under this Enactment.

(8) The rate of interest on late payments, the order of application of payments and any other related matters shall be as prescribed.

Accounts

40. (1) All subsidiary management corporations shall operate their accounts to the same financial year as their management corporation.

(2) All subsidiary management corporations shall submit a full copy of their audited financial statements each financial year to the council of the management corporation within the period of fourteen days of completion of the audit, for the management corporation's onward submission to the Commissioner in accordance with this Enactment.

(3) All financial and accounting provisions that apply to the management corporation under this Enactment shall also apply to subsidiary management corporations.

Apportionment of contributions between management corporation and subsidiary management corporation

41. (1) A management corporation may, with the written approval of the Commissioner, appoint a registered property manager for the purposes of determining and apportioning the contributions payable under this Part between the management corporation and any subsidiary management corporation.

(2) In making a determination and apportionment under subsection (1), the registered property manager shall take into consideration —

- (a) the operating budgets and responsibilities for the management and maintenance of common property and precinct common property;
- (b) the use and enjoyment of the common property by the purchasers of the respective parcels;
- (c) the estimated expenditure for the management and maintenance of the building and any precinct common property; and
- (d) any other matter as may be determined by the Commissioner.

(3) Any determination and apportionment made under this section shall be binding on the management corporation and subsidiary management corporation, unless varied by the Commissioner.

Recovery of contributions and charges by management corporation from subsidiary management corporation

42. (1) Where any contribution or charges payable by the subsidiary management corporation to the management corporation under this Enactment remains unpaid after the period specified in a written notice by the management corporation, the management corporation may recover the amount as a debt due to the management corporation.

(2) Any contribution or charge payable under this Enactment shall not subject to the Limitation Ordinance.

(3) The rate of interest on late payments and any other related matters shall be as prescribed.

(4) In the case of a single-owner subsidiary management corporation, the management corporation may register the charge against the subsidiary title of the parcel forming the subsidiary management corporation.

Judgments against management corporation relating to a precinct

43. (1) If a judgment against a management corporation relates solely to a precinct, the judgment shall be against only the purchasers of that precinct.

(2) A judgment referred to in subsection (1) shall be calculated in such proportion as if the amount of the judgement were a contribution to the maintenance account and sinking fund account of the subsidiary management corporation, and a purchaser's liability shall be limited to that proportionate share of the judgement unless the judgement relates to some but not all the parcels in the precinct in which case the judgement sum is to be apportioned accordingly between the relevant parcels only.

Termination of subsidiary management corporation

44. (1) A subsidiary management corporation for a precinct may be dissolved, and the designation of the precinct abolished, if —

- (a) the management corporation, by special resolution, resolves that the subsidiary management corporation be dissolved; and
- (b) the subsidiary management corporation, by special resolution, resolves that it be dissolved.

(2) Notwithstanding subsection (1), the management corporation may, by special resolution, dissolve a subsidiary management corporation where —

- (a) the subsidiary management corporation is unable to carry out its functions effectively; or
- (b) it is expedient in the interest of the proper management of the building to do so.

(3) Upon the dissolution of a subsidiary management corporation under this section —

- (a) the designation of the precinct shall cease;
- (b) the precinct common property shall cease to be designated as such and shall become part of the common property of the building; and
- (c) all rights, interests, liabilities and obligations of the subsidiary management corporation shall vest in the management corporation.

(4) The dissolution shall take effect on the date specified in the special resolution of the management corporation, and from that date, the management corporation shall assume control, management, and ownership of the terminated precinct common property.

PART IX

GENERAL PROVISIONS FOR MANAGEMENT OF BUILDINGS BEFORE AND AFTER THE ESTABLISHMENT OF MANAGEMENT CORPORATION

Income from common property

45. (1) All income arising from the common property shall be credited into the maintenance account of the management corporation and applied for expenses relating to the management and maintenance of the building.

(2) All income arising from any precinct common property shall be credited into the maintenance account of the subsidiary management corporation responsible for that precinct and applied for expenses relating to that precinct.

Certificate of contributions and arrears

46. (1) The developer, management corporation or subsidiary management corporation, as the case may be, shall, upon payment of the prescribed fee and on application by a purchaser, prospective purchaser, chargee or assignee of a parcel, issue a certificate of contributions and arrears in the form set out in Form B of the First Schedule certifying —

- (a) the amount of contributions payable to the maintenance account and sinking fund account for the parcel;
- (b) the time and manner of payment; and
- (c) the amount of any arrears, interest or other charges owing in respect of the parcel, if any.

(2) The certificate issued under this section shall be conclusive evidence of the matters stated in it.

(3) Any person intending to dispose of a parcel shall inform any prospective purchaser or bidder of the parcel of all house rules, mutual covenants, sale and purchase terms, contributions and other payments required to be paid before ownership of the parcel may be transferred.

(4) For the purpose of subsection (3), any person intending to dispose of a parcel shall include any assignee or chargee of the parcel.

(5) Any person who contravenes subsection (3) commits an offence and shall, on conviction, be liable to a fine not exceeding five thousand ringgit.

By-laws for parcels, etc.

47. (1) Any by-laws prescribed by the regulations made under section 131 shall have effect in relation to every parcel, common property and precinct common property.

(2) A management corporation or subsidiary management corporation may, as the case may be, by a special resolution, make additional by-laws or make amendments to such additional by-laws, not inconsistent with the by-laws prescribed by regulations made under section 131, for regulating the control, management, administration, use and enjoyment of the building, common property and precinct common property, including all or any of the following matters:

- (a) safety and security measures;
- (b) details of any common property and precinct common property of which the use is restricted;
- (c) the keeping of pets;
- (d) parking;
- (e) floor coverings;
- (f) refuse control;
- (g) behaviour;
- (h) architectural and landscaping guidelines to be observed by all purchasers; and
- (i) imposition of fine not exceeding five hundred ringgit against any purchaser, occupant or invitee who is in breach of any of the by-laws.

(3) No by-laws shall —

- (a) prohibit or restrict the transmission, transfer, lease or charge of, or any other dealing of any parcel; or
- (b) destroy or modify any easement expressly or impliedly created by or under the provisions of this Enactment.

(4) The additional by-laws made under subsection (2) shall bind the management corporation or subsidiary management corporation, as the case may be, and the purchasers, and any chargee or assignee, lessee, tenant or occupier of a parcel to the same extent as if the additional by-laws —

- (a) had been signed or sealed by the management corporation or subsidiary management corporation, as the case may be, and each purchaser and each such chargee or assignee, lessee, tenant or occupier, respectively; and
- (b) contain mutual covenants to observe, comply and perform all the provisions of those additional by-laws.

(5) The management corporation or subsidiary management corporation, as the case may be, shall —

- (a) keep a record of the additional by-laws in force;
- (b) on receipt of an application in writing made by a purchaser or a person duly authorized to apply on behalf of a purchaser for a copy of the additional by-laws in force, supply to such purchaser or person duly authorized by him, at a reasonable fee, a copy of the additional by-laws; and
- (c) on the application of any person who satisfies the management corporation or subsidiary management corporation, as the case may be, that he has a proper interest in so applying, make such additional by-laws available for inspection.

(6) A copy of any additional by-laws made by the management corporation or subsidiary management corporation, as the case may be, and any amendment of any such additional by-laws for the time being in force, certified as a true copy under the common seal of the management corporation or subsidiary management corporation, shall be filed by the management corporation or subsidiary management corporation with the Commissioner within the period of fourteen days from the date of the passing of the special resolution approving the additional by-laws or any amendment to it.

(7) The management corporation or subsidiary management corporation or any purchaser shall be entitled to apply to a court of competent jurisdiction or the Tribunal —

- (a) for an order to enforce the performance of or restrain the breach of, any by-laws by; or
- (b) to recover damages for any loss or injury to any person or property arising out of the breach of any by-laws from,

any person bound to comply with the by-laws.

Launching contributions

48. (1) A purchaser shall pay a launching contribution equivalent to not less than six months' contributions to the maintenance account of the management corporation.

(2) Where at the date of the certificate of fitness for occupation there are unsold parcel, the developer shall pay into the maintenance account of the management corporation the launching contribution for the unsold parcels in accordance with subsection (1).

(3) All deposits shall, upon the coming of operation of this Enactment, be deemed to be a non-refundable launching contribution unless the sales and purchase agreement expressly provides for refund of any contributions deposited.

(4) Where a purchaser has paid or is liable to pay to the developer under any sale and purchase agreement any sum representing a launching contribution or any advance payment or deposit for the management or maintenance of the building, such sum shall be deemed to be a launching contribution payable under subsection (1).

Allocated voting rights

49. Where no voting rights have been assigned to each parcel by the developer's registered surveyor, the voting rights for each parcel shall be assigned, with the written approval of the Commissioner, by any person who has a duty or is responsible to manage and maintain any building and the common property in the prescribed manner and in accordance with the prescribed formula.

PART X

REGISTERED PROPERTY MANAGER

Interpretation

50. In this Part, unless the context otherwise requires, "liquidator" includes an administrator, receiver, receiver and manager, liquidator, official receiver or trustee in bankruptcy, as the case may be, or such other officers appointed pursuant to Companies Act 2016.

Appointment of registered property manager by Commissioner

51. (1) The Commissioner may in writing appoint any registered property manager for a period as specified in the letter of the appointment, to perform the duties of the management corporation under this Enactment if he is satisfied that —

- (a) no purchasers of a building is elected as a member of the council during an annual general meeting; or
- (b) a complaint is lodged with the Commissioner in respect of the failure of the management corporation in managing and maintaining a building and common property.

(2) The Commissioner shall not make an appointment under subsection (1) unless —

- (a) all other reasonable steps to secure proper management and maintenance of the building and common property have been exhausted; and
- (b) such appointment is necessary in the interest of the purchasers or for the proper management and maintenance of the building and common property.

(3) The Commissioner shall, prior to the appointment under subsection (1), notify his intention in writing to appoint a registered property manager to the purchasers concerned and shall give the purchasers an opportunity to submit any written representation within such period, as may be specified in the notification, being not less than fourteen days.

(4) After the expiry of the period specified in the notice, the Commissioner shall, after considering the written representation made by the purchaser under subsection (3), if any, decide whether or not to appoint a registered property manager.

(5) The Commissioner shall give the purchaser a written notice of his decision under subsection (4) as soon as practicable.

(6) Any purchasers who is aggrieved by the decision of the Commissioner to appoint a registered property manager may, within thirty days after being notified in writing of such decision, make an appeal against such decision to the Tribunal in the prescribed manner.

(7) Pending the decision of the appeal under subsection (6), the Commissioner may, as soon as practicable, appoint the registered property manager.

Effect of appointment of registered property manager by Commissioner

52. (1) Throughout the period of the appointment of a registered property manager under sections 51 and 55 —

- (a) the management corporation shall have no powers to pass any resolution;
- (b) the council of the management corporation shall be deemed to have been dissolved;
- (c) the control over all money held in cash or accounts on any name or description by the management corporation in trust for the purchasers of the building shall vest in the registered property manager; and
- (d) the signatories of the accounts of any name or description of the management corporation shall be subject to the directions and control of the Commissioner.

(2) Any person who contravenes the directions and control of the Commissioner in paragraph (1)(d) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(3) Notwithstanding paragraph (1)(c), the registered property manager —

- (a) shall have no power to invest; and
- (b) shall be subject to the direction and control of the Commissioner in expending,

the money held in cash or accounts of any name or description by the management corporation.

(4) A registered property manager who contravenes subsection (3) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Remuneration of registered property manager appointed by Commissioner

53. The registered property manager appointed under sections 51 and 55 shall be entitled to be paid such remuneration or fees as may be agreed upon between the registered property manager and the Commissioner, and such remuneration or fees shall be charged on the maintenance account of the management corporation or subsidiary management corporation, as the case may be.

Termination of appointment of registered property manager

54. (1) The Commissioner may terminate the appointment of a registered property manager under any of the following circumstances:

- (a) the registered property manager has contravened any of the provisions of this Enactment;
- (b) the registered property manager has breached any of the terms and conditions of his appointment;
- (c) the registered property manager has been convicted of an offence under this Enactment;
- (d) the appointment was improperly or illegally obtained;
- (e) the appointment was made as a result of false, inaccurate or misleading information; or
- (f) there has been any act or omission by the registered property manager or there has been a change of circumstances such that the registered property manager would no longer be entitled to be appointed under this Enactment.

(2) Before the Commissioner makes a decision to terminate the appointment under subsection (1), the Commissioner shall give the registered property manager —

- (a) a written notice of his intention to terminate the appointment of the registered property manager; and
- (b) an opportunity to make written representation within a period specified in the written notice.

(3) After the expiry of the period specified in the notice, the Commissioner shall, after considering the written representation made by the registered property manager under subsection (2), if any, decide whether to terminate the appointment of the registered property manager or not.

(4) The Commissioner shall give the registered property manager a written notice of his decision under subsection (3) as soon as reasonably practicable.

(5) Upon the termination of his appointment, the registered property manager shall —

- (a) not more than one month from the date of such termination, prepare and submit to the Commissioner the unaudited accounts of the maintenance account or the sinking fund account, and hand over to the Commissioner a complete list of the assets and liabilities of the maintenance account and the sinking fund account and all records related to and necessary for the management and maintenance of the building; and
- (b) not later than three months from such termination, submit to the Commissioner the audited accounts of the maintenance account or the sinking fund account.

(6) A registered property manager whose appointment is terminated shall not be entitled to —

- (a) any compensation for any loss caused to him by the termination of his appointment; and

(b) any refund of any fees or charges paid under this Enactment.

(7) If a registered property manager is aggrieved by the decision of the Commissioner to terminate his appointment under subsection (3), he may, within fourteen days after being notified in writing, appeal against such decision to the Tribunal in the prescribed manner.

(8) Any registered property manager who contravenes subsection (5) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Power of Commissioner to appoint another registered property manager

55. (1) Upon the termination of appointment of a registered property manager under section 54, the Commissioner may appoint another registered property manager to manage and maintain the building for a period to be specified by the Commissioner.

(2) The Commissioner shall cause all records, documents and property received under subsection 54(5) to be handed over to the registered property manager appointed under this section.

Duties and powers of registered property manager

56. The registered property manager appointed under sections 51 and 55 shall have the following duties and powers:

- (a) to perform any duties or exercise any powers of the management corporation as provided under this Enactment;
- (b) subject to the approval of the Commissioner —
 - (i) set the contributions to the maintenance account and sinking fund account; and

- (ii) make amendments to the additional by-laws not inconsistent with the by-laws prescribed by the regulations for the proper management and maintenance of the building and common property.

Return of duties and powers to management corporation

57. (1) The Commissioner may, with the advice of the registered property manager, return the duties and powers of the management corporation in the prescribed manner if —

- (a) he is of the opinion that the management corporation have become capable of managing and maintaining the building; or
- (b) an application is made by the purchasers in the prescribed form and he is satisfied that the return of the duties and powers to the management corporation is in the best interest of the purchasers.

(2) Where the Commissioner is satisfied that the duties and powers of the management corporation may be returned under subsection (1), the registered property manager shall —

- (a) issue a notice to hold an extraordinary general meeting of the management corporation;
- (b) prepare, oversee and execute the extraordinary general meeting of the management corporation; and
- (c) ensure a council of the management corporation is elected at the extraordinary general meeting of the management corporation is held.

(3) The procedures of general meeting of management corporation under Third Schedule shall be applicable to the extraordinary general meeting of the management corporation under this section unless otherwise directed by the Commissioner.

(4) The registered property manager shall have duties and powers under section 56 up until the first meeting of the council elected under paragraph 2(c) is held.

Appointment of registered property manager by the liquidator of the developer

58. (1) Where during the developer's management period —

- (a) a liquidator is appointed as a result of the developer entering into any composition or arrangement with his creditors;
- (b) the developer has a receiving order or an adjudication order made against him; or
- (c) the developer being a company goes into voluntary or compulsory liquidation,

the liquidator shall within one month from their date of appointment, appoint by written notification, a registered property manager to manage and maintain the building and common property for such period until the end of the developer's management period.

(2) Subject to the general control and direction of the Commissioner, a registered property manager appointed under this section shall enter into a management agreement with the appointed liquidator to carry out the duties and powers of the developer during the developer's management period as provided for under this Enactment.

(3) No remuneration or fees, at any given time, in whatever name or style, shall be payable to the liquidator from the maintenance account or sinking fund account of the management corporation or subsidiary management corporation.

(4) Notwithstanding subsection (3), the liquidator may be entitled to remuneration from the maintenance account or sinking fund account for the period commencing from the date of his appointment by the court until

the date immediately before the appointment of the registered property manager under subsection (1), at the same rate as the remuneration payable to the registered property manager, prorated on a daily basis.

(5) Any person who contravenes subsections (1), (2) or (3) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Freezing of management corporation account

59. (1) The Commissioner may in writing order a freeze on accounts of any name or style of the management corporation, if —

- (a) the Commissioner has reasonable grounds to suspect that a management corporation is operating in a manner detrimental to the interest of the purchasers; or
- (b) the Commissioner has reasonable grounds to suspect that an offence under this Enactment has been or is being or is about to be committed by the management corporation.

(2) An order under subsection (1) may —

- (a) direct that the account, or such part of the account is not disposed of, or otherwise dealt with, by any person, except in such manner and in such circumstances, as are specified in the order;
- (b) provide the manner in which the account should be administered or dealt with.

(3) No bank or financial institution, or director, officer or employee of the bank or financial institution, as the case may be, shall be subject to any claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in pursuance of or execution or intended execution of or in connection with the execution or intended execution of an order of the Commissioner under subsection (1).

(4) The Commissioner shall not be liable for any damages or cost arising directly or indirectly from the making of an order under this section unless it can be proved that the order under subsection (1) was not made in good faith.

(5) Any person who contravenes the order from the Commissioner in subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not more than three years or to both.

Variation or revocation of order to freeze accounts

60. (1) An order to freeze accounts issued under section 59 may be varied or revoked by the Commissioner where he deems fit or on the application of interested persons made in writing to the Commissioner specifying the grounds for the variation or revocation of such order.

(2) Upon receipt of an application made under subsection (1), the Commissioner may —

- (a) subject to any terms and conditions as he may impose, vary the order with regard to—
 - (i) the duration of the order;
 - (ii) the payment of debts incurred in good faith and due to a creditor before the issuance of the order under section 59; or
 - (iii) the provision of an allocation for reasonable expenses of the management corporation;
- (b) subject to any terms and conditions as he may impose, revoke such order; or
- (c) refuse the application, by stating the grounds for refusal.

Power of appointed registered property manager to open accounts

61. (1) The registered property manager appointed under sections 51 and 55 may, with the written approval of the Commissioner, open and operate a new maintenance account or sinking fund account in the name of the management corporation if —

- (a) the existing maintenance account or sinking fund account of the management corporation is not accessible or properly maintained; or
- (b) such opening and operating of the new account is necessary for the proper management and maintenance of the building.

(2) An account opened under subsection (1) shall be operated for such period and for such purposes as the Commissioner may specify.

(3) The registered property manager shall —

- (a) deposit into that account all moneys collected in the course of management;
- (b) make payments only for expenses properly incurred during the management and maintenance of the building; and
- (c) keep proper records and statements of receipts and payments made through that account.

(4) Upon the expiration of the appointment of the registered property manager or upon the direction of the Commissioner, the balance of the account and all records relating to it shall be handed over —

- (a) to the management corporation upon the return of its duties and powers; or
- (b) where another registered property manager is appointed under this Part, to that registered property manager.

Appointment of registered property manager by contract

- 62.** (1) A registered property manager may be appointed by contract —
- (a) by the developer acting on their own behalf during the developer's management period; or
 - (b) after the developer's management period, by the council of the management corporation or the subsidiary council of the subsidiary management corporation, as the case may be,

for such period and on such terms and conditions as may be specified in the contract.

(2) The appointment of a registered property manager may be terminated at any time in accordance with the terms of the contract.

(3) Any developer, management corporation or subsidiary management corporation, as the case may be, who has entered into a contract for the appointment of a registered property manager under subsection (1), shall file with the Commissioner such contract within fourteen days after the signing of such contract.

(4) Any developer, management corporation or subsidiary management corporation who contravenes subsection (3) commits an offence and shall be liable to a fine not exceeding five thousand ringgit.

Powers and duties of registered property manager appointed by contract

63. (1) A developer, management corporation or subsidiary management corporation may, as the case may be, by instrument in writing, delegate to a registered property manager appointed under subsection 62(1) such of its powers and duties under this Enactment as are necessary for the management and maintenance of the building and its common property, subject to such terms and conditions as the developer, management corporation or subsidiary management corporation, as the case may be, may impose.

(2) Any act or thing done or suffered by a registered property manager in the exercise of a delegation under subsection (1) shall have the same force and effect as if it had been done or suffered by the developer, management corporation or subsidiary management corporation, as the case may be.

(3) The appointment of a registered property manager shall not relieve the developer of his duties —

- (a) towards the purchasers in the building to carry out repairs to the common property or to make good any defect, shrinkage or other faults in the common property during the defects' liability period; and
- (b) to carry out repairs and varied and additional works to ensure that the development is constructed in accordance with the specifications and plans approved by the competent authorities.

Independence of registered property manager

64. (1) A person shall not be appointed as a registered property manager if he has a professional or pecuniary interest in any building.

(2) For the purposes of subsection (1), a person shall be regarded as having a professional or pecuniary interest if —

- (a) he has been directly involved in the design or construction of the building;
- (b) he or any of his nominees, officers or employees has any material interest in the building or any part thereof;
- (c) he is a partner of, or is in the employment of, a person who has any material interest in the building or any part thereof;
or

- (d) he or his spouse, or any member of his immediate family, has any interest in the building or any part thereof, whether directly or as a trustee or otherwise.

Disclosure of interest by a registered property manager

65. (1) A registered property manager shall, prior to his appointment, disclose in writing any professional or pecuniary interest referred to in subsection 64(1) to —

- (a) the Commissioner; and
- (b) the developer, management corporation or subsidiary management corporation, as the case may be.

(2) Notwithstanding subsection 64(1), the Commissioner may dispense with the prohibition under that subsection if —

- (a) the interest has been disclosed in accordance with subsection (1); and
- (b) he is satisfied that granting the dispensation is in the interests of the purchasers.

(3) Subject to subsection (2), the appointment of a registered property manager under section 62 shall be approved by an ordinary resolution at a general meeting of the management corporation or subsidiary management corporation, as the case may be.

(4) Any registered property manager who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit.

(5) Any management corporation or subsidiary management corporation who contravenes subsection (3) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit.

PART XI
INSURANCES

Interpretation

66. In this Part, unless the context otherwise requires —

“building” includes fixtures forming part of the building and improvements or extensions undertaken in the building;

“damage policy” means a contract of insurance providing that in the event of the building being destroyed or damaged by fire, lightning, explosion or any other occurrence specified in the policy for —

- (a) the rebuilding of the building or its replacement by a similar building if such building is destroyed so that every part of the rebuilt building or the replacement building is in a condition no worse nor less extensive than that part or its condition when that part was new;
- (b) the repair of damage to, or the restoration of the damaged portion of the building if the building is damaged but not destroyed, so that the repaired or restored part, is in a condition no worse nor less extensive than that part or portion when that part was new;
- (c) the payment of expenses incurred in the removal of debris and shoring up of adjacent structures; and
- (d) the remuneration of architects and other persons whose services are necessary as an incident to the rebuilding, replacement, repair or restoration; and

“registered valuer” has the meaning assigned to it in section 2 of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981.

Duty to insure buildings for damage

67. (1) Any person who has a duty or is responsible under this Enactment to manage and maintain any building shall insure such building under a damage policy with a licensed insurer in accordance with this Part.

(2) The Commissioner may, if he thinks fit, direct any person who has a duty or is responsible under this Enactment to manage and maintain any building to insure the building against any additional perils.

(3) Where the management corporation has a subsidiary management corporation, the subsidiary management corporations shall be insured with the same insurer as the management corporation.

(4) Where any person who has duty or is responsible under this Enactment to manage and maintain any building receives payment of moneys from an insurer in respect of destruction of or damage to a building, those moneys shall be used by the management corporation in rebuilding, replacing, repairing or restoring of the building.

(5) A damage policy effected under this section in respect of the building shall not be liable to be brought into contribution with any other damage policy, except another damage policy effected under this section in respect of the same building.

(6) Any person who contravenes subsections (1), (4) or (5) shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Amount to be insured

68. (1) Any building shall be insured for at least the reinstatement value of the building indicated by the last valuation obtained for the building.

(2) For the purpose of determining the reinstatement value of the building that is required to be insured under this Part, a reinstatement valuation of the building shall be obtained from a registered valuer at least once every five years.

(3) The cost of such valuation shall be paid out from the maintenance account of the management corporation.

Other insurances

69. (1) Any person who has a duty or is responsible under this Enactment to manage and maintain any building shall, in addition to the damage policy under section 67, be insured for public liability for a sum of not less than two million ringgit and any errors and omissions done by him for a sum of not less than five hundred thousand ringgit, except where a unanimous resolution resolves otherwise.

(2) The Commissioner may issue directives in respect of the insurances to be effected under this Part.

(3) The premium for the insurance policy affected shall be paid out from the maintenance account of the management corporation.

Insurance by purchasers

70. (1) The purchaser of each parcel shall insure all renovations, shopfronts and personal belongings and other assets within his parcel.

(2) The developer shall insure any renovations inside the unsold parcels in the building.

Insurable interest

71. A management corporation or subsidiary management corporation, as the case may be, shall be deemed to have an insurable interest in the subject matter of any contract of insurance entered into by it under this Part.

Duty to give notice to Commissioner

72. (1) Any person who has a duty or is responsible under this Enactment to maintain and manage any building shall, within thirty days after effecting a damage policy under section 67, give notice of the name and address of the insurer and the period covered by the damage policy to the Commissioner in such form as may be determined by him.

(2) Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit.

Request for inspection, etc., of damage policy

73. (1) Any purchaser, occupier, chargee or any person duly authorized in writing in that behalf by a purchaser, occupier or chargee may request, on payment of a fee to the developer, management corporation or subsidiary management corporation, as the case may be —

- (a) to inspect;
- (b) to make a copy of; or
- (c) to take extracts from,

the damage policy or receipt of payment of premium of the damage policy effected by any person who has a duty or is responsible under this Enactment to maintain and manage any building.

(2) Any person who is aggrieved by the refusal of the developer, management corporation or subsidiary management corporation for a request made under subsection (1) may lodge a complaint with the Commissioner within thirty days of notification of such refusal.

PART XII

SUBDIVISION OF CO-OWNERSHIP BUILDINGS

Interpretation

74. In this Part, unless the context otherwise requires —

“co-owner” means an owner having an undivided share registered in the document of title to co-ownership building;

“co-ownership building” means a building erected on land where two or more persons are registered as co-owners; and

“Building Subdivision Authorisation” means authorisation granted under paragraph 75(2)(a).

Application for a Building Subdivision Authorisation

75. (1) Co-owner may make an application for a Building Subdivision Authorisation to the Commissioner in the prescribed form, accompanied by the prescribed fee and subject to any information, particulars or document as may be determined by the Commissioner.

(2) After considering the application, the Commissioner may by notice in writing —

(a) approve the application and issue to the applicant, a Building Subdivision Authorisation subject to such terms and conditions as he thinks fit to impose; or

(b) refuse the application and state the grounds for such refusal.

Appeal to the Tribunal

76. Any person who is aggrieved with the decision of the Commissioner to issue or refusal to issue a Building Subdivision Authorisation under

subsection 75(2) may, within thirty days after being notified in writing of such decision, make an appeal against such decision to the Tribunal in the prescribed manner.

Effect of Building Subdivision Authorisation

77. Any person having an interest in the co-ownership building may apply to the High Court for such orders as may be necessary to give effect to the Building Subdivision Authorisation —

- (a) where no appeal is made to the Tribunal, after the expiry of thirty days from the notice under subsection 75(2); or
- (b) upon an award made by the Tribunal —
 - (i) affirming the decision of the Commissioner in the issuance of the Building Subdivision Authorisation; or
 - (ii) reversing the decision of the Commissioner in the refusal for the issuance of the Building Subdivision Authorisation.

PART XIII

DISSOLUTION OF MANAGEMENT CORPORATION

Dissolution of management corporation upon termination of subdivision

78. (1) Where a subdivision is terminated under the Land (Subsidiary Title) Enactment 2026, the management corporation shall be dissolved but subsist for the limited purposes of winding up its affairs.

(2) The management corporation shall, upon the completion of its winding up, deliver all books, accounts, records and documents of the management corporation to the Commissioner.

Subsidiary management corporation deemed dissolved

79. In the case where a management corporation has subsidiary management corporation and has its subdivision terminated, the subsidiary management corporation shall be deemed dissolved.

PART XIII

BUILDING MANAGEMENT TRIBUNAL

Interpretation

80. (1) In this Part, unless the context otherwise requires —

“award” means a decision of the Tribunal on the substance of a dispute and includes any order on costs or interest but does not include any interlocutory order;

“court” means any court of competent jurisdiction in Malaysia;

“interlocutory order” means an order that —

(a) is made pursuant to a claim to the Tribunal in the course of any proceeding of the Tribunal; and

(b) is incidental to the principal object of that proceeding,

and includes any direction about the conduct of that proceeding, but does not include any partial or interim order making a final determination in respect of that proceeding;

“Judge” has the meaning assigned to it in section 3 of the Court of Judicature Act 1964 [Act 91];

“party” means a claimant or respondent and includes any person joined as a third party;

“claimant” means a person who commences a proceeding before the Tribunal to have a matter dealt with by the Tribunal;

“respondent” means a person against whom a proceeding is commenced by the claimant;

“Tribunal Registrar” means the Registrar to the Building Management Tribunal appointed under section 83;

“claim” means a proceeding before the Tribunal between a claimant and a respondent.

(2) For the purposes of this Part, where a provision of this Part refers to a claim, it may also apply to a counterclaim, and where it refers to a defence, it may also apply to a defence to a counterclaim.

Establishment of Tribunal

81. There is established a tribunal to be known as the Building Management Tribunal.

Members, terms of office and allowances

82. (1) The Tribunal shall consist of the following members who shall be appointed by the Minister:

- (a) a Chairman and a Deputy Chairman to be appointed from among persons who have held the office as a Judge or persons who have served at least twelve years in the

Judicial and Legal Service in Sabah or in the State Legal Service or persons who are admitted as advocates under the Advocates Ordinance [*Cap. 2*] who have practised in Sabah for at least twelve years; and

- (b) not less than twelve other members to be appointed from among the persons —
- (i) who are admitted as advocates under Advocates Ordinance; or
 - (ii) who are professionally qualified persons registered or licensed under any written law regulating that profession and who has not less than seven years' experience in that profession,

that demonstrate capability and knowledge in matters relating to building management.

(2) A person appointed as a member of Tribunal shall not, during his term of office, hold any other office or appointment under this Enactment.

(3) Where the Chairman is for any reason unable to perform his functions or during any period of vacancy in the office of the Chairman, the Deputy Chairman shall perform the functions of the Chairman.

(4) A member of the Tribunal referred to in paragraph (1)(b) shall hold office for a term not exceeding three years and shall be eligible for reappointment upon the expiry of his term of office.

(5) A member of the Tribunal appointed under paragraph (1)(b) may at any time resign his office by giving three months written notice to the Minister.

(6) The Minister may at any time revoke the appointment of a member of the Tribunal referred to in paragraph (1)(b) and fill any vacancy in its membership.

(7) The Chairman and the Deputy Chairman shall be paid such fixed allowances and other allowances as the Minister may determine.

(8) The members of the Tribunal appointed under paragraph (1)(b) shall be paid a daily sitting allowance during the sitting of the Tribunal as well as attendance at such meetings and training as the Chairman may authorise and such lodging, travelling and subsistence allowances as the Minister may determine.

Tribunal Registrar, officers and staff

83. (1) The Minister may appoint, from amongst the members of State public service, a Tribunal Registrar.

(2) There shall be such number of officers and staff of the Tribunal, from amongst the members of State public service, as may be necessary to carry out the functions of the Tribunal.

(3) The Tribunal Registrar may, subject to the directions of the Chairman and in connection with any application to the Tribunal, make interlocutory orders.

Jurisdiction of Tribunal

84. (1) The Tribunal shall have the jurisdiction to hear and determine any claims specified in Part 1 of the Second Schedule and where the total amount in respect of which an award of the Tribunal is sought does not exceed five hundred thousand ringgit or such amount as may be prescribed to substitute the total amount.

(2) For the avoidance of doubt, the Limitation Ordinance shall not apply to the proceedings of the Tribunal.

(3) The jurisdiction of the Tribunal shall not extend to any claim in which the title to any land, or any estate or interest in land, or any franchise, is in question.

(4) Without prejudice to the generality of subsection (1), the Tribunal shall have the jurisdiction to hear and determine all appeals in respect of a decision of the Commissioner made under this Enactment.

(5) Any person who is aggrieved with any decision of the Commissioner made under this Enactment may unless otherwise specifically provided, within thirty days from the date of the notice or order issued by the Commissioner, appeal to the Tribunal against the decision in the prescribed manner.

(6) Unless otherwise provided, where an appeal is lodged under this section, the decision appealed against shall be complied with until the determination of the appeal.

Exclusion of jurisdiction of court

85. (1) Where a claim is filed with the Tribunal and the claim is within the Tribunal's jurisdiction, the issues in dispute in that claim, whether as shown in the initial claim or as emerging in the course of the hearing, shall not be the subject of proceedings between the same parties in any court unless —

- (a) the proceedings before the court were commenced before the claim was filed with the Tribunal; or
- (b) the claim before the Tribunal is withdrawn, abandoned or struck out.

(2) Where paragraph (1)(a) applies, the issues in dispute in the claim to which those proceedings relate, whether as shown in the initial claim or emerging in the course of the hearing, shall not be the subject of proceedings between the same parties before the Tribunal unless the claim before the court is withdrawn, abandoned or struck out.

Persons entitled to file a claim

86. No person other than the following interested persons shall be entitled to file a claim to the Tribunal:

- (a) a developer;
- (b) a purchaser;
- (c) a management corporation;
- (d) a subsidiary management corporation;
- (e) a registered property manager;
- (f) a co-owner of a co-ownership building; and
- (g) any other interested person, with the leave of the Tribunal.

Claim to be in prescribed form

87. A claim shall be made in the prescribed form together with the prescribed fee and in the prescribed manner.

Sittings of Tribunal

88. (1) The jurisdiction of the Tribunal shall be exercised by any of the following members sitting alone:

- (a) the Chairman;
- (b) the Deputy Chairman; or
- (c) any of the members of the Tribunal determined by the Chairman.

(2) The Tribunal may sit in one or more sittings on such day and at such time and place as the Chairman may determine.

(3) If the member presiding over any proceedings in respect of a claim dies or becomes incapacitated, or is for any other reason unable to complete or dispose of the proceedings, the claim shall be heard afresh by another member of the Tribunal, unless the parties agree that the claim be continued by another member of the Tribunal.

(4) Where the term of appointment of any member of the Tribunal appointed under paragraph 82(1)(b) expires during the pendency of any proceedings in respect of a claim, the term of his appointment shall be deemed to have been extended until the final disposal of the claim.

Right to appear at hearings

89. (1) At the hearing of a claim, every party shall be entitled to attend and be heard on his own behalf.

(2) All hearing before the Tribunal shall be represented by the party personally unless —

- (a) it is the opinion of the Tribunal, the matter in question involves complex issues of law or building construction, management or maintenance and one party will suffer severe hardship if he is not represented;
- (b) in the case the party is a corporation or unincorporated body of persons, it may be represented by its full time paid employee or officer; or
- (c) in the case the party is a minor or any other person under a disability, he may be represented by his next friend or guardian *ad litem*.

(3) Where a party is represented as permitted under subsection (2), the Tribunal may impose such conditions as it considers necessary to ensure that the other party to the proceedings is not substantially disadvantaged.

Proceedings to be public

90. All proceedings before the Tribunal shall be open to the public.

Mediation for settlement

91. (1) The Tribunal shall, in respect of every claim within its jurisdiction, consider whether the claim is appropriate to be resolved by mediation.

(2) Where the Tribunal considers mediation to be appropriate, the Tribunal may, at any stage of the proceedings and before the hearing of the claim, encourage the parties to participate in mediation, including by convening an informal preliminary conference with the parties, whether jointly or separately.

(3) The parties shall be informed that —

- (a) the mediation is conducted on a without prejudice basis; and
- (b) the parties retain control over the issues to be discussed and any settlement reached.

(4) Tribunal member who acts as a mediator shall —

- (a) facilitate discussions between the parties with a view to assisting them to reach a voluntary and mutually acceptable settlement;
- (b) remain neutral and impartial throughout the mediation process; and
- (c) not determine how the dispute should be resolved, give legal advice, or make recommendations to the parties.

(5) Mediation may be conducted jointly or separately, and may include assistance to the parties to —

- (a) identify the issues in dispute and the underlying causes of the dispute;
- (b) understand each other's positions and interests; and
- (c) explore options for settlement.

(6) Where a settlement is reached, whether in whole or in part, the mediator may assist the parties to record the terms of the settlement in writing, and upon being satisfied that the settlement is voluntary, the Tribunal shall approve and record the settlement, and the settlement shall then take effect as if it were an award of the Tribunal.

(7) Any issue not resolved through mediation may proceed to hearing before the Tribunal.

(8) Where a Tribunal member has acted as a mediator, that member shall not sit in the hearing of the claim, and the hearing shall be presided over by the Chairman or such other Tribunal member as the Chairman may appoint.

(9) For the purposes of mediation —

- (a) no evidence shall be recorded by the Tribunal; and
- (b) no matter disclosed or statement made during mediation shall be admissible or relied upon in the hearing of the claim.

(10) The mediation may be terminated at any time by the mediator or any party, and upon such termination, the Tribunal may proceed to hear and determine the claim.

Equal treatment of parties

92. The Tribunal shall act fairly and impartially as between the parties, giving each party equal treatment and reasonable opportunity of presenting his case and dealing with that of his opponent.

Determination of rules and procedures

93. (1) The Tribunal may conduct the proceedings in such manner as it considers appropriate, necessary or expedient for the purpose of ascertaining the facts or law in order that it may determine a claim.

(2) The powers conferred upon the Tribunal under subsection (1) shall include the following:

- (a) to determine when and where any part of the proceedings are to be held;
- (b) to determine the language or languages to be used in the proceedings and whether translations of any relevant documents are to be supplied;
- (c) to make interlocutory orders;
- (d) to determine the relevancy, admissibility and weight of any evidence without being bound by the rules of evidence under the Evidence Act 1950 [Act 56];
- (e) to draw on its own knowledge and expertise;
- (f) to order the provision of further particulars in a statement of claim or statement of defence;
- (g) to order the giving of security for costs;
- (h) to make an on-site inspection of the site of a building which form the subject matter of the claim;
- (i) to order samples to be taken from, or any observation to be made of or experiment conducted upon, any parcel or common property or precinct common property which is or forms part of the subject matter of the claim;
- (j) to order the discovery and production of documents or materials within the possession or power of a party;

- (k) to order the preservation and interim custody of any evidence for the purposes of the proceedings;
- (l) to order the interrogatories to be answered;
- (m) to order that any evidence to be given on oath or affirmation; and
- (n) to summon the parties to the proceedings or any other person to attend before it to give evidence or to produce any document, records or other thing in his possession or otherwise to assist the Tribunal in its deliberations.

(3) A summons issued under paragraph (2)(n) shall be served and enforced as if it were a summons issued by a court.

Hearings

94. (1) The Tribunal may decide whether to hold oral hearings for the presentation of evidence or oral arguments, or whether the proceedings shall be conducted on the basis of documents and other materials.

(2) The parties shall be given reasonable prior notice of any hearing and of any meeting of the Tribunal for the purposes of inspection of documents or property.

(3) All statements, documents or other information supplied to the Tribunal by one party shall be communicated to the other party.

(4) Any expert report or evidentiary document on which the Tribunal may rely on in making its decision shall be communicated to the parties.

Appointment of expert by Tribunal

95. (1) The Tribunal may —

- (a) appoint one or more experts to report to it on specific issues to be determined by the Tribunal; and
- (b) require a party to give the expert any relevant information or to produce any relevant document or to provide access to any relevant property for the expert's inspection.

(2) If a party so requests, or if the Tribunal considers it necessary, the expert shall, after delivering a written or oral report, participate in a hearing at which the parties shall be given an opportunity to put questions to the expert and to present other expert witnesses to testify on the matters in issue.

(3) An expert appointed under this section shall, if possible, be a person agreed upon by the parties, and if failing such agreement, shall be nominated by the Tribunal.

(4) An expert appointed under this section may be paid such fees and allowances as may be determined by the Tribunal.

(5) The parties shall be jointly liable to pay the fees and allowances of the expert, but where the appointment of a Tribunal expert is opposed, the Tribunal may, as a condition of making the appointment, require the party requesting the appointment to give such security for the fees and allowances of the expert as the Tribunal thinks fit.

Awards of the Tribunal

96. (1) The Tribunal shall make its award without delay and, where practicable, within sixty days from the first day the hearing before the Tribunal commences.

(2) The Tribunal shall in all proceedings give its reasons for its award in the proceedings.

(3) In making an award under subsection (1), the Tribunal may make one or more of the orders specified in Part Two of the Second Schedule, and may include in the award such stipulations and conditions as it thinks fit and just.

(4) In making an order under subsection (3), the Tribunal shall have regard to —

- (a) the relevant provisions of this Enactment; and
- (b) the interests of all purchasers in the use and enjoyment of their parcels or the common property or precinct common property.

(5) The Tribunal may, at any time, rectify or correct clerical mistakes in any award or errors arising in the award from any accidental slip or omission.

References to a Judge of the High Court on a question of law

97. (1) The Tribunal may, in its discretion, before making an award under section 96, refer to a Judge of the High Court on a question of law —

- (a) which arose in the course of the proceedings;
- (b) which, in the opinion of the Tribunal, is of sufficient importance to merit such reference; or
- (c) the determination of which by the Tribunal raises, in the opinion of the Tribunal, sufficient doubt to merit such reference.

(2) If the Tribunal refers any question of law under subsection (1) for the decision of a Judge of the High Court, it shall make its award in conformity with such decision.

Awards and settlements to be recorded in writing

98. (1) The Tribunal shall make or cause to be made a written record of the terms of —

(a) every agreed settlement reached by the parties under subsection 91(6); and

(b) every award made by it under section 96.

(2) The Tribunal Registrar shall file a copy of every award made to the Commissioner for reference and record purposes as a public document.

Decisions of Tribunal to be final

99. (1) An award made under subsection 91(6) or section 96 shall —

(a) subject to section 98, be final and binding on all parties to the proceedings; and

(b) be deemed to be an order of a court and be enforced accordingly by any party to the proceedings.

(2) For the purpose of paragraph (1)(b), in any case where the award made by the Tribunal has not been complied with, the Tribunal Registrar shall send a copy of the award made by the Tribunal to the court having jurisdiction in the place to which the award relates or in the place where the award was made, and the court shall cause the copy of the award to be recorded.

Challenging the award on ground of serious irregularity

100. (1) Any party to the proceedings of the Tribunal may, upon notice to the other party and to the Tribunal, apply to the High Court challenging an award in the proceedings on the ground of serious irregularity affecting the award.

(2) If there is shown to be serious irregularity affecting the award, the High Court may —

- (a) remit the award to the Tribunal, in whole or in part, for reconsideration; or
- (b) set the award aside in whole or in part.

(3) For the purpose of this section, “serious irregularity” means an irregularity of one or more of the following kinds which the High Court considers has caused substantial injustice to the applicant:

- (a) failure by the Tribunal to comply with section 92;
- (b) failure of the Tribunal to deal with all the relevant issues that were put to it; or
- (c) uncertainty or ambiguity as to the effect of the award.

Disposal of documents, etc.

101. (1) The Tribunal may, at the conclusion of the proceedings before it, order that any document, record, material or other property produced during the proceedings be delivered to the rightful owner.

(2) Where no person has taken delivery of the document, record, material or other property referred in subsection (1) after a period of six months, the ownership in the document, record, material or other property shall be deemed to have passed to and become vested in the Government.

Criminal penalty for failure to comply with award

102. Any person who fails to comply with an award made by the Tribunal within thirty days from the date on which the award was made, commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred and fifty thousand ringgit or to imprisonment for a term not

exceeding three years or to both, and in the case of a continuing offence, to a further fine not exceeding five thousand ringgit for every day or part thereof during which the offence continues after conviction.

Disclosure of interest by members of Tribunal

103. (1) If the Chairman or any member of the Tribunal has any direct or indirect interest in any proceeding, he shall disclose to the Tribunal the fact of his interest and the nature of that interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the proceeding in which the disclosure was made and, after the disclosure, the Chairman or the member shall not take part in the deliberation or decision of the Tribunal.

- (3) Failure of disclosing any interest under subsection (1) shall —
- (a) invalidate any decision made by the Tribunal in relation to that proceeding; and
 - (b) cause the appointment of the Chairman or member of the Tribunal, as the case may be, to be revoked in accordance with this Enactment.

PART XIV

ENFORCEMENT

Authorized officer

104. (1) The Commissioner may, in writing, appoint any officer of the local authority or public officer as authorized officer to exercise the powers of enforcement under this Enactment.

(2) Any such officer shall be deemed to be a public servant within the meaning of the Penal Code [Act 574].

Authority card

105. (1) There shall be issued to each authorized officer an authority card to be signed by the Commissioner.

(2) Whenever an authorized officer exercises any of his powers under this Enactment, he shall, on demand, produce to the person against whom the power is being exercised the authority card issued to him under subsection (1).

Power to enter premises

106. Notwithstanding sections 108 and 109, an authorized officer may, for the purposes of carrying out any of his functions under this Enactment, at any reasonable time enter any premises for the purpose of —

- (a) inspecting any book, register, document or other record; or
- (b) verifying the accuracy of any book, register, document or other record or any information given to an authorized officer.

Power of investigation

107. (1) The authorized officer shall have the power to investigate the commission of any offence under this Enactment.

(2) The authorized officer may, in relation to an investigation in respect of any offence committed under this Enactment, exercise all or any of the powers in relation to police investigation in any seizable offence, except the power to arrest without warrant, given under the Criminal Procedure Code [Act 593].

Search and seizure with warrant

108. (1) If it appears to a Magistrate, upon written information on oath from the Commissioner or authorized officer and after such inquiry as he considers necessary, that there is reasonable cause to believe that —

- (a) any premises have been used for or are about to be used for;
or
- (b) there is any premises, evidence necessary to the conduct of an investigation into,

commission of an offence under this Enactment, the Magistrate may issue a warrant authorizing any authorized officer named in the warrant, to enter the premises at any reasonable time by day or by night, with or without assistance, and if need be by force.

(2) Without affecting the generality of subsection (1), the warrant issued by the Magistrate may authorize the Commissioner or authorized officer to —

- (a) search and seize and detain any book, register, document or other record;
- (b) inspect, make copies of, or take extracts from the premises, any book, register, document or other record;
- (c) take possession of, and remove from the premises, any book, register, document or other record so seized and detain it for such period as may be necessary;
- (d) search any person who is in, or on, such premises and for the purposes of the search, detain the person and remove him to such place as may be necessary to facilitate the search, and seize and detain any book, register, document or other record found on the person; or
- (e) make such inquiry as may be necessary to ascertain whether the provisions of this Enactment have been complied with.

(3) An authorized officer may, in the exercise of his powers under this section, if it is necessary so to do —

- (a) break open any outer or inner door of the premises or any fence, enclosure, gate or other obstruction to the premises, in order to effect entry into the premises;
- (b) remove by force any obstruction to entry, search, seizure or removal as he is empowered to effect under this section; and
- (c) detain any person found in the premises until the search has been completed.

(4) No person shall be searched except by another person of the same gender, and such search shall be conducted with strict regard to decency.

Search and seizure without warrant

109. If the authorized officer is satisfied upon information received that there is reasonable cause to believe that by reason of delay in obtaining a search warrant under section 108 the investigation would be adversely affected or evidence of the commission of an offence is likely to be tampered with, removed, damaged or destroyed, the authorized officer may enter the premises and exercise in, upon and in respect of the premises all the powers referred to in section 108 in as full and ample a manner as if he were authorized to do so by a warrant issued under that section.

Power to seal premises

110. (1) If, by reason of its nature, size or amount, it is not practicable to remove any book, register, document or other record seized under this Enactment, the authorized officer shall seal the premise in which such book, register, document or other record are found.

(2) Any person who, without lawful authority, breaks, tampers with or damages the seal referred to under subsection (1) or removes the book, register, document or other record seized under seal or attempts to do so, commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding three months or to both.

Access to computerized data

111. (1) An authorized officer conducting a search under this Enactment shall be given access to computerized data whether stored in a computer or otherwise.

(2) For the purposes of this section, an authorized officer shall be provided with the necessary password, encryption code, decryption code, software or hardware and any other means required to enable comprehension of computerized data.

List of things seized

112. (1) Where any seizure is made under this Enactment, the authorized officer making the seizure shall prepare a list of book, register, document or other record seized and shall sign the list.

(2) The list prepared in accordance with subsection (1) shall be delivered to the occupier of the premises where the book, register, document or other record seized is found.

(3) Where the seizure is made in or from any premises which is unoccupied, the authorized officer shall whenever possible post the list of the things seized conspicuously at the premises.

Cost of holding any book, register, etc., seized

113. If any book, register, document or other record seized under this Enactment is held in the custody of the Commissioner pending completion of any proceedings in respect of an offence under this Enactment, the cost of holding it in custody shall, where any person is being convicted of the offence, be a debt due to the Government by such person and shall be recoverable accordingly.

Forfeiture or release of book, register, etc., seized

114. (1) Any book, register, document or other record seized in exercise of any power conferred by this Enactment shall be liable to forfeiture.

(2) An order for the forfeiture of any book, register, document or other record shall be made if it is proved to the satisfaction of the court that an offence under this Enactment has been committed and that any book, register, document or other record were the subject matter of or was used in the commission of the offence, even though no person may have been convicted of such offence.

(3) If there is no prosecution with regard to any book, register, document or other record seized under this Enactment, such book, register, document or other record shall be taken and deemed to be forfeited at the expiration period of one calendar month from the date of service of a notice to the last known address of the person from whom the book, register, document or other record were seized indicating that there is no prosecution in respect of such book, register, document or other record unless before the expiration of that period a claim thereto is made in the manner set out under subsections (6), (7), (8) and (9).

(4) If no claim is made under subsection (6) within one calendar month from the date of service of the notice referred to under subsection (3), the book, register, document or other record seized under this Enactment shall be taken and deemed to be forfeited at the expiration of that period.

(5) Any person asserting that he is the owner of any book, register, document or other record referred to under subsection (3) and that it is not liable to forfeiture may personally or by his agent authorized in writing, give written notice to the authorized officer in whose possession such book, register, document or other record are held that he claim such book, register, document or other record.

(6) On receipt of the notice referred to under subsection (5), the authorized officer shall refer the claim to a Magistrate.

(7) The Magistrate to whom a matter is referred under subsection (6) shall issue a summons requiring —

- (a) the person asserting that he is the owner of any book, register, document or other record; or
- (b) the person from whom the book, register, document or other record were seized,

to appear before him, and when they appear or they fail to appear, due service of the summons having been proved, the Magistrate shall proceed to the examination of the matter.

(8) If it is proved that an offence under this Enactment has been committed and that any book, register, document or other record were the subject matter of or were used in the commission of such offence, the Magistrate shall order the book, register, document or other record to be forfeited, and shall, in the absence of such proof, order its release.

(9) Any book, register, document or other record forfeited or deemed to be forfeited shall be delivered to the Commissioner and shall be disposed of in such manner as the Commissioner thinks fit.

No cost of damages arising from seizure to be recoverable

115. No person shall, in any proceedings before any court in respect of any book, register, document or other record seized in the exercise or the purported exercise of any power conferred under this Enactment, be entitled to the costs of such proceedings or to any damages or other relief unless such seizure was made without reasonable cause.

Power to require attendance of person acquainted with case

116. (1) An authorized officer making an investigation under this may, by order in writing, require the attendance before himself of any person who appears to the authorized officer to be acquainted with the facts and circumstances of the case, and such person shall attend as so required.

(2) If the person refuses or fails to attend as so required, the authorized officer may report such refusal or failure to a Magistrate who shall issue a summons to secure the attendance of such person as may be required by the order made under subsection (1).

Examination of person acquainted with case

117. (1) An authorized officer making an investigation under this Enactment may examine orally any person supposed to be acquainted with the facts and circumstances of the case.

(2) The person examined under subsection (1) shall be legally bound to answer all questions relating to such case put to him by the authorized officer, but he may refuse to answer any question the answer to which would have a tendency to expose him to a criminal charge, penalty or forfeiture.

(3) A person making a statement under this section shall be legally bound to state the truth, whether or not such statement is made wholly or partly in answer to the questions.

(4) The authorized officer examining a person under subsection (1) shall first inform the person of the provisions of subsections (2) and (3).

(5) A statement made by any person under this section shall, wherever possible, be reduced into writing and signed by the person making it or affixed with his thumbprint, as the case may be —

(a) after it has been read to him in the language in which he made it; and

(b) after he has been given an opportunity to make any correction he may wish.

Obstruction

118. A person who —

- (a) refuses any authorized officer access to any premises which the authorized officer is entitled to have under this Enactment or in the execution of any duty imposed or power conferred by this Enactment;
- (b) refuses to give any authorized officer any information relating to an offence or suspected offence under this Enactment or any other information which may reasonably be required of him and which he has in his knowledge or power to give;
- (c) assaults, obstructs, hinders or delays any authorized officer in effecting any entry which the authorized officer is entitled to effect under this Enactment or in the execution of any duty imposed or power conferred by this Enactment; or
- (d) fails to give reasonable facilities or assistance to any authorized officer in the performance of his duties under this Enactment,

commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Giving false or misleading information or document

119. Any person who —

- (a) provides or causes any person to provide any information or document to the Commissioner, Tribunal or authorized officer which he knows or has reasons to believe is false or misleading; or
- (b) makes in writing or signs any document required by this Enactment which is untrue or incorrect in any material particular,

commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Destruction, concealment, *etc.*, of book, register, *etc.*

120. A person who —

- (a) destroys, conceals, mutilates or alters; or
- (b) sends, attempts to send or conspires with any other person to remove from his premises or send out of Sabah,

any book, register, document or other record kept or maintained with intent to defraud authorized officer or to prevent, delay or obstruct the carrying out of an investigation or the exercise of any power by the authorized officer under this Enactment commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or imprisonment for a term not exceeding one year or to both.

Requirement to provide translation

121. (1) Where the authorized officer finds, seizes, detains, or takes possession of any book, register, document or other record in the exercise of any power under this Enactment, and such book, register, document or other record or any part of it is in a language other than the national language or the English language, or in any sign or code, the Commissioner or authorized officer may orally or in writing require the person who had the possession, custody or control of such book, register, document or other record to furnish to the Commissioner or authorized officer a translation in the national language of such book, register, document or other record within such period as, in the opinion of the Commissioner or authorized officer, would be reasonable having regard to the length of the book, register, document or other record, or other circumstances relating to it.

(2) No person shall knowingly furnish a translation under subsection (1) which is not an accurate, faithful and true translation, or knowingly make a translation under that subsection which is not accurate, faithful and true.

(3) Any person who contravenes subsection (2) commits an offence and shall on conviction, be liable, to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Jurisdiction of the Magistrate's Court

122. Notwithstanding the provisions of any written law to the contrary, a Court of Magistrate of the First Class shall have jurisdiction to try summarily any offence under this Enactment and to award a full punishment for any such offence.

Joinder of offences

123. Notwithstanding anything contained in section 164 of the Criminal Procedure Code, where a person is accused of more than one offence under this Enactment, he may be charged with and tried at one trial for any number of such offences committed within the space of any length of time.

Protection of informers

124. (1) Except as provided in subsections (2) and (3), no witness in any civil or criminal proceedings under this Enactment shall be obliged or permitted to disclose the name or address of any informer or the substance and nature of the information received from him or state any matter which might lead to his discovery.

(2) If any book, register, document or other record which is in evidence or is liable to inspection in any civil or criminal proceedings whatsoever contains 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 in so far as may be necessary to protect the informer from discovery.

(3) If in a trial for any offence under this Enactment the court, after full inquiry into the case, is of the opinion that the informer willfully made in his complaint a material statement which he knew or believed to be false or did not believe to be true, or if in any other proceedings the court is of the opinion that justice cannot be fully done between the parties to the proceeding without the discovery of the informer, it shall be lawful for the court to require the production of the original complaint, if in writing, and permit an inquiry and require full disclosure concerning the informer.

Continuing offences

125. Where provision is made by or under this Enactment for the imposition of a daily penalty in respect of a continuing offence —

- (a) the court by which a person is convicted of the original offence may fix a reasonable period from the date of conviction for the person to comply with any direction given by the court; and
- (b) where the court has fixed such period, the daily penalty is not recoverable in respect of any day before the period expires.

PART XV
MISCELLANEOUS

Presumption of liability of inter-floor leakages and damage to party wall

126. (1) In any proceedings in a court or of the Tribunal under this Enactment with respect to an alleged defect in a parcel or in any common property or precinct common property situated immediately, whether wholly or partly, above another parcel or any common property or precinct common property, it shall be presumed, in the absence of proof to the contrary, that the defect is caused by, due to or as a result of the upper floor parcel or common property or precinct common property, as the case may be, if there is any evidence of dampness, moisture or water penetration —

- (a) on the ceiling that forms part of the interior of the parcel, common property or precinct common property, as the case may be, which is directly below the upper floor parcel, common property or precinct common property; or
- (b) on any furnishing material, including plaster, panel or gypsum board attached, glued, laid or applied to the ceiling that forms part of the interior of the parcel, common property or precinct common property, as the case may be, which is directly below the upper floor parcel, common property or precinct common property.

(2) In determining the cause and the party responsible to rectify any defects, the following matters shall be taken into consideration:

- (a) the presumption under subsection (1) that the defect is caused by, due to or as a result of the upper floor parcel above the affected parcel, common property or precinct common property;

- (b) any defect in any water meter, water pipe, drainage and sewerage pipes, gas meter, duct and pipe that provides service to more than one parcel is a defect of the common property or the relevant precinct common property;
- (c) any defect in any water meter, water pipe, drainage and sewerage pipes, gas meter, duct and pipe that provides service only to one parcel is a defect of that parcel, even though the pipes, ducts or meters may be situated in common property, precinct common property or through another parcel; or
- (d) any defect of any parcel, common property or precinct common property during the defect liability period of the parcel which is due to the defective workmanship or materials or that construction was not carried out in accordance to the latest plans approved by the appropriate authorities, shall be the responsibility of the developer.

(3) Where a parcel is affected by damage to a party wall, the provisions in subsection (1) and (2) shall apply.

(4) For the purposes of this section, a “party wall” means a wall that is located between separate parcels or located between a parcel and the common property, or the precinct common property, as the case may be.

(5) The Minister may prescribe regulations to provide for the procedural administration of this section.

Representation in proceedings

127. (1) Notwithstanding any other written law, in any proceedings by or against the management corporation or subsidiary management corporation, any person authorised in writing by the management corporation or the subsidiary management corporation, as the case may be, for that purpose may, on behalf of the management corporation or the

subsidiary management corporation, as the case may be, institute such proceedings or appear in such proceedings and may make all appearances and applications and do all acts in respect of the proceedings on behalf of the management corporation or the subsidiary management corporation, as the case may be.

(2) Save as in the occurrence of an event stipulated in section 43 where there is a judgment sum entered into against the management corporation, the management corporation shall immediately pay the judgement sum from its maintenance account but, in the event that there are insufficient funds in the maintenance account, the council of the management corporation shall levy a special contribution from all the purchasers in the building sufficient to cover the judgment sum without requiring a resolution of the general meeting.

Service of notice or order

128. (1) Unless otherwise provided in this Enactment, any notice or order required to be served on any person under this Enactment may be served by any of the following means:

- (a) personally;
- (b) by registered post addressed to the last known address of business, parcel or residence of the person to be served;
- (c) by attaching the notice or order at a prominent part of the last-known address of business, parcel or residence of the person to be served; or
- (d) by email or other electronic means and by displaying the notice or order on a notice board in the building accessible by the purchaser.

(2) Where service is effected under paragraphs (a), (b) or (c), it shall also be effected under paragraph (d).

Non-application of other written laws, contracts and deeds

129. On the coming into operation of this Enactment, the provisions of any written laws, contract or deed relating to the management and maintenance of buildings and common property, other than a contract prescribed under any written law relating to a housing development, in as far as they are contrary to the provisions of this Enactment shall cease to have effect.

Contracting out prohibited

130. (1) The provisions of this Enactment shall have effect notwithstanding any stipulation to the contrary in any agreement, contract or arrangement entered into after the commencement of this Enactment.

(2) No agreement, contract or arrangement, whether oral or wholly or partly in writing, entered into after the commencement of this Enactment shall operate to annul, vary or exclude any of the provisions of this Enactment.

Power to make regulations

131. (1) The Minister may make regulations generally for the purpose of carrying into effect the provisions of this Enactment.

(2) Without prejudice to the generality of subsection (1), such regulations may be made for all or any of the following purposes:

- (a) to prescribe any matter which is required under this Enactment to be prescribed;
- (b) to provide for the forms and certificates required to be issued under this Enactment;
- (c) to provide for proper standards of maintenance and management in respect of buildings, common property or precinct common property;

- (d) to prescribe offences which may be compounded;
- (e) to prescribe the fees and charges to be paid in respect of any matters under this Enactment;
- (f) to provide for the procedures in the preparation of plans and documents for the purposes of this Enactment and the lodgment and registration of such plans and documents under this Enactment;
- (g) to provide for the any matter relating to the Tribunal;
- (h) to provide generally for the performance of the functions, the exercise of the powers and the discharge of duties of the developer, management corporation or subsidiary management corporation under the provisions of this Enactment.

(3) The regulations made under subsection (2) may prescribe any act in contravention of the regulations to be an offence and may prescribe penalties of a fine not exceeding two hundred fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both for such offence.

Amendment of Schedules

132. (1) The Minister may, from time to time, by order published in the *Gazette*, amend any of the Schedules.

(2) The Minister may, in any order made under subsection (1), make such incidental, consequential or supplementary provision as may be necessary or expedient.

Electronic documents

133. (1) A document electronically filed or submitted under this Enactment shall be deemed to have satisfied the requirement for filing or submission

if the document is communicated or transmitted in such manner as may be determined by the Commissioner or the Tribunal, as the case may be.

(2) If a document is electronically filed or submitted with the Commissioner or the Tribunal, as the case may be, the Commissioner or the Tribunal shall not be liable for any loss or damage suffered by any person by reason of any error or omission of whatever nature or however arising appearing in any document if such error or omission was made in good faith and in the ordinary course of the discharge of the duties of the Commissioner or Tribunal or arose as a result of any breakdown in the service or in the equipment used in the provision of the service.

(3) The Commissioner or the Tribunal, as the case may be, may by electronic means, issue or publish, as the case may be, any information, document or certificate which is to be issued under this Enactment.

(4) Any information, document or certificate which was electronically issued or published by the Commissioner or the Tribunal, as the case may be, shall be a true extract and shall be admissible as *prima facie* evidence of matters specified in that information, document or certificate, copy or extract.

Offences by body corporate

134. (1) If a body corporate commits an offence under this Enactment, a person who at the time of the commission of the offence was a director, a member of the council, a member of the subsidiary council, chief executive officer, manager, secretary or other similar officer of the body corporate or was purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management —

- (a) may be charged severally or jointly in the same proceedings with the body corporate; and
- (b) if the body corporate is found guilty of the offence, shall be deemed to be guilty of that offence unless, having regard

to the nature of his functions in that capacity and to all circumstances, he proves —

- (i) that the offence was committed without his knowledge, consent or connivance; and
- (ii) that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

(2) Where any person would be liable to any punishment or penalty under this Enactment for any act, omission, neglect or default committed—

- (a) by that person's employee in the course of his employment;
- (b) by that person's agent when acting on behalf of that person; or
- (c) by the employee of that person's agent when acting in the course of his employment with that person's agent acting on behalf of that person,

that person shall be liable to the same punishment or penalty for every such act, omission, neglect or default of that person's employee or agent, or of the employee of that person's agent.

Compounding of offences

135. (1) The Commissioner may compound any offence committed by any person under this Enactment which are prescribed to be compoundable offence by making a written offer to the person who has committed the offence to compound the offence upon payment to the Commissioner an amount of money not exceeding fifty per centum of the maximum fine for that offence within such time as may be specified in the written offer.

(2) An offer under subsection (1) may be made at any time after the offence has been committed but before any prosecution for it has been instituted.

(3) If the amount specified in the offer is not paid within the time specified in the offer, or such extended time as the Commissioner may grant, prosecution for the offence may be instituted at any time after that against the person to whom the offer was made.

(4) Where an offence has been compounded under subsection (1), no prosecution shall be instituted in respect of the offence against the person to whom the offer to compound was made, and any book, register, document or other record in connection with the offence may be released or forfeited by the Commissioner in accordance with the terms and conditions of the compound.

(4) All sums of money received under this section shall be deposited into the State Consolidated Fund.

General penalty

136. Any person who commits an offence under this Enactment for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to a term of imprisonment not exceeding six months or to both.

Prosecution

137. No prosecution shall be instituted for any offences under this Enactment except by or with the consent in writing of the Public Prosecutor.

Power to exempt

138. (1) The Minister may by order published in the *Gazette*, exempt any person or building or land, or any class of persons or type of buildings or lands, from all or any of the provisions of this Enactment, subject to such terms and conditions as may be specified in the order.

(2) Any person who contravenes any terms and conditions of the order in subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Protection against suit and legal proceedings

139. (1) No action, suit, prosecution or other proceedings shall lie against or be brought, instituted or maintained in any court against —

- (a) the Commissioner, such other officers appointed under section 4 or any authorized officer for or on account of or in respect of any act ordered or done for the purpose of carrying into effect this Enactment;
- (b) Chairman, Deputy Chairman or any members of the Tribunal for or on account of or in respect of any act ordered or done for the purpose of carrying into effect this Enactment;
- (c) Tribunal Registrar or such other officers and staff of the Tribunal for or on account of or in respect of any act ordered or done for the purpose of carrying into effect this Enactment; and
- (d) any other person for any act done or purported to be done by him under the order, direction or instruction of any person referred to under paragraphs (a), (b) and (c),

if the act was done in good faith and in a reasonable belief that it was necessary for the purpose intended to be served by it and for the carrying into effect the provisions of this Enactment.

(2) Nothing in this section shall exempt any person from liability for any act or omission which was done negligently, fraudulently or in bad faith.

PART XVI

SAVING AND TRANSITIONAL

References to Land (Subsidiary Title) Enactment 1972 and saving provision

140. (1) Any reference to the Land (Subsidiary Title) Enactment 1972 [*No. 9 of 1972*], in any written law or document shall, when this Enactment comes into operation, be construed as references to this Enactment or the Land (Subsidiary Title) Enactment 2026, as the case may be.

(2) Nothing in this Enactment shall affect the validity of any act done under the Land (Subsidiary Title) Enactment 1972, before the date of coming into operation of this Enactment.

(3) Any person who, immediately before the date of coming into operation of this Enactment, is appointed under the Land (Subsidiary Title) Enactment 1972, shall continue to hold office until the appointment are revoked or until the expiry of their terms of appointment.

(4) All accounts or funds established by the developer or any management corporation before the the date of coming into operation of this Enactment shall be deemed to have been established under this Enactment.

(5) Where any such account or fund is held in the name of the developer, the developer shall, upon the establishment of the management corporation under this Enactment, transfer the account or fund into a maintenance account opened in the name of the management corporation.

(6) Any notice, order, action or other document prepared, issued or made under Land (Subsidiary Title) Enactment 1972, shall, in so far as it is consistent with the provisions of this Enactment, be deemed to have been prepared, issued or made under this Enactment.

(7) Any decision made under the Land (Subsidiary Title) Enactment 1972, shall, in so far as it is consistent with the provisions of this Enactment, be deemed to have been made under this Enactment.

(8) Any management corporation established under the Land (Subsidiary Title) Enactment 1972 shall be deemed to have been established under this Enactment.

Existing by-laws or mutual covenants

141. (1) Any existing by-laws or mutual covenants which are enforceable before the date of coming into operation of this Enactment shall continue to be effective in so far as they are consistent with the provisions of this Enactment and by-laws prescribed under this Enactment.

(2) Notwithstanding subsection (1), any existing by-laws or mutual covenants under the Housing Development (Control & Licensing) Enactment 1978 shall continue to be in force notwithstanding any inconsistencies with the by-laws prescribed under this Enactment.

Existing management corporation register

142. (1) Any management corporation register that is maintained by a management corporation under Land (Subsidiary Title) Enactment 1972, on the date of coming into operation of this Enactment, shall be deemed to have been established and maintained under this Enactment.

(2) Share units attaching to each parcel shown in the existing management corporation register established under Land (Subsidiary Title) Enactment 1972, when this Enactment comes into operation, shall be —

(a) construed as voting rights under this Enactment;

- (b) deemed allotted to the purchaser of the said parcel under this Enactment; and
- (c) duly converted and calculated according to the prescribed formula in the prescribed manner.

Transitional

143. Notwithstanding the requirement under subsection 8(1), any developer of a building which, on the date of the coming into operation of this Enactment, has been issued with a certificate of fitness for occupation but not yet issued with a certificate for the establishment of a management corporation, shall within twelve months from the date of the coming into operation of this Enactment, apply for a certificate of establishment of management corporation under this Enactment.

FIRST SCHEDULE

FORM A

[Subsection 7(2)]

SCHEDULE OF PARCELS

To: Commissioner of Building Management

PART A: DEVELOPMENT INFORMATION

Development Name:

Address :

District :

Land Title :

FOR REFERENCE ONLY (JUNE 2026)

Developer :

Total Parcels :

Total Area :

PART B: DETAILED INDEX

No..	Parel Code	PP Parcel No.	Block	Floor	Unit	Type	Area (sq.m)	Plan. Ref.. No.	Use/ Description	Local Authority Approval Ref. No.

Note: If the space is insufficient to provide the information or particulars, please attach annexes. Every annex shall be initialed by the registered surveyor as stated in Part C and the signatory for the developer under Part D.

PART C: REGISTERED SURVEYOR CERTIFICATION

I, the undersigned Registered Surveyor, hereby certify that this Detailed Index is true and correct, has been prepared in accordance with the Approved Development Plan, Approved Building Plan and the Proposed Parceling Plan as required under the relevant law.

Name of Registered Surveyor :

License No. :

**Signature :

Date :

***Official stamp or seal of Registered Surveyor :

PART D: UNDERTAKING BY THE DEVELOPER

I/We, the Developer of the above-named Development hereby solemnly undertake and declare as follows:

1. That any area within the Development and the Land which is not specified as a parcel or accessory parcel in the Schedule of Parcels shall automatically become common property of the Development.
2. That any sale, transfer or disposal in relation to the Development shall be limited strictly to the parcels specified in the Schedule of Parcels duly filed with the Commissioner, and shall not include any part of the common property.
3. That the Schedule of Parcels filed with the Commissioner has been duly approved by the relevant local authority.
4. That the Schedule of Parcels is true, accurate and corresponds with the plans submitted to and approved by the local authority.
5. That prior to the filing of the Schedule of Parcels with the Commissioner, I/we have not sold, offered for sale, disposed of, or entered into any sale and purchase agreement in respect of any parcel specified herein.
6. That I/we shall not alter the number, boundaries, designation or area of any parcel contained in the Schedule of Parcels except as may be lawfully permitted and approved in accordance with the Building Management Enactment 2026.
7. That I/we undertake to file any amendment to the Schedule of Parcels with the Commissioner within fourteen (14) days from the date of approval by the local authority.
8. That I/we acknowledge and accept that any failure to comply with the statutory obligations imposed under the Building Management Enactment 2026 in respect of the Schedule of Parcels is an offence.

Name of Developer/Company :

**Signature of Authorized Signatory :

*NRIC/Company Registration No. :

Date :

Name of witness :

NRIC of witness :

**Signature of witness :

Date :

***Stamp or official seal of
Developer/Company :

Note:

** Delete whichever is not applicable*

*** Original signature is required for submission*

**** Original stamp/seal is required for submission*

FIRST SCHEDULE

FORM B

[Subsection 46(1)]

CERTIFICATE OF CONTRIBUTIONS AND ARREARS

Name of development :

Parcel No. :

Name of purchaser on the Register
of Purchasers :

(1) We certify that :

- (a) The monthly maintenance contribution payable for the above parcel is RM per month;
- (b) The monthly sinking fund contribution payable for the above parcel is RM per month;

- (c) The time and manner of payment of the maintenance and sinking fund contribution is
.....
.....
(state time and manner of payment);
 - (d) The outstanding arrears of maintenance contributions as at the date hereof amount to RM
 - (e) The outstanding arrears of sinking fund contributions as at the date hereof amount to RM
 - (f) The total interest outstanding as at the date hereof in respect of the above parcel amounts to RM.....;
 - (g) The amount of any charges or penalties is RM
(if any);
- (2) Interest at the rate of ____% per annum on daily rest shall continue to accrue and shall be chargeable on all outstanding sums remaining unpaid until full settlement.

Date:

Signature of authorised signatory and stamp of

*Developer/*Management Corporation/

*Subsidiary Management Corporation :

Name :

Designation :

**Delete whichever is not applicable*

SECOND SCHEDULE

PART 1

[Subsection 84(1)]

JURISDICTION OF THE TRIBUNAL

1. A dispute or complaint concerning an exercise or the performance of, or the failure to exercise or perform, a function, duty or power conferred or imposed by this Enactment, except for those specifically provided for in this Part.
2. A claim for the recovery of contributions to the maintenance account and sinking fund account, or any amount which is declared by the provisions of this Enactment as a debt.
3. A claim for an order to convene a general meeting.
4. A claim for an order to invalidate proceedings of a meeting where any provision of this Enactment has been contravened.
5. A claim for an order to nullify a resolution where voting rights have been denied or where due notice has not been given.
6. A claim for an order to nullify a resolution passed at a general meeting.
7. A claim for an order to revoke amendment of by-laws having regard to the interests of all purchasers.
8. A claim for an order to vary the amount of insurance to be provided.
9. A claim for an order to pursue an insurance claim.
10. A claim for compelling a developer, management corporation or subsidiary management corporation to supply information or documents.
11. A claim for an order to give consent to effect alterations to any common property or precinct common property.
12. A claim for an order to affirm, vary or revoke the Commissioner's decision.
13. A claim for an order in relation to repairs of the building and the cost for such repairs.

14. A claim for an order to resolve dispute between a management corporation and a subsidiary management corporation.
15. A claim or an appeal in respect of a decision of the Commissioner relating to a Building Subdivision Authorisation.

PART 2

[Subsection 96(3)]

ORDERS OF THE TRIBUNAL

1. The Tribunal may order a party to the proceedings to pay a sum of money to another party.
2. The Tribunal may order the price or other consideration paid by a party to be refunded to that party.
3. The Tribunal may order the payment of compensation or damages for any loss or damage suffered by a party.
4. The Tribunal may order the rectification, setting aside or variation of a contract or additional by-laws, wholly or in part.
5. The Tribunal may order costs to or against any party to be paid.
6. The Tribunal may order interest to be paid on any sum or monetary award at a rate consistent with the provisions of this Enactment.
7. The Tribunal may dismiss a claim which it considers to be frivolous or vexatious.
8. The Tribunal may make any order of which it has the jurisdiction to make under Part 1 of this Schedule or any other order as it deems just and expedient.
9. The Tribunal may make such ancillary or consequential orders or relief as may be necessary to give effect to any order made by the Tribunal.

THIRD SCHEDULE

PROVISIONS FOR MANAGEMENT CORPORATION

[Subsection 8(7), Paragraph 24(1)(i), Subsections 36(5) and 57(3)]

PART I

GENERAL PROVISIONS

Interpretation

1. In the application of this Schedule to any management corporation —

“co-purchaser” means two or more purchaser for the same parcel;

“general meeting” means a general meeting of the management corporation or subsidiary management corporation and includes the first annual general meeting; and

“member of management corporation” means a purchaser who automatically becomes a member of the management corporation and, in respect of any unsold parcel, includes the developer, and if a parcel has more than one purchaser, all of them shall constitute only one member.

Forms

2. The management corporation and its members shall use such forms for the administration of meetings and of management corporation duties as may be provided in this Enactment.

PART II

THE COUNCIL

Constitution of council

3. (1) Subject to the provisions of this paragraph and to any regulations or by-laws made under this Enactment, every management corporation shall have a council which shall

consist of such number of persons as the management corporation may determine in a general meeting, but in any case not less than three and not more than seven natural persons.

(2) Where there are subsidiary management corporations, each subsidiary management corporation shall be represented by one member from the subsidiary council appointed by the subsidiary council to sit on the council of the management corporation in addition to the number of members as determined by the management corporation under subparagraph (1).

(3) Notwithstanding subparagraph (1), where the management corporation has not more than three purchasers, the council of the management corporation shall consist of all the purchasers who are natural persons, or in the case where the purchaser is a company, society, statutory body or other body, by its nominee.

(4) Where all the parcels in a building are owned by one purchaser, the sole purchaser may make any decision that a duly convened council may make under this Enactment, and any such decision shall be deemed to be a decision of the council of the management corporation.

(5) Save as the representatives from each subsidiary management corporation, all other members of the council shall be elected at each annual general meeting of the management corporation.

(6) The council shall elect from among its members a chairman, secretary and treasurer, all of whom shall be natural persons, immediately after the conclusion of the general meeting at which the council members are elected, provided that —

- (a) no member shall hold the same office for more than two consecutive years, unless the management corporation has fifty or fewer members; and
- (b) no member shall hold more than one office at the same time, unless the council only has one or two members.

(7) Where the management corporation engages the services of a registered property manager, that registered property manager shall perform the role as secretary to the management corporation without limitation as to their term of office, and shall attend all council and general meetings but shall have no vote at such meetings.

(8) All the members of the council of a management corporation shall retire from office at the conclusion of the next annual general meeting but a retiring member of the council shall be eligible for re-election.

(9) A person shall not be eligible for election as a member of the council of a management corporation unless he is an individual of at least eighteen years of age and who —

- (a) is a purchaser or co-purchaser of a parcel;
- (b) is the nominee of a purchaser of a parcel which is a company, society, statutory body or any other body; or
- (c) who has been appointed in accordance with paragraph 26.

(10) For the avoidance of doubt, the following persons shall not be eligible for election:

- (a) a proxy appointed by a purchaser;
- (b) a co-purchaser of a parcel with another co-purchaser, if that other co-purchaser is also a candidate for election;
- (c) a bankrupt;
- (d) a nominee of a company, society, statutory body or any other body that is under administration by a liquidator unless such nomination is made by the liquidator;
- (e) a person certified as of unsound mind or otherwise incapable of discharging the duties of a council member; or
- (f) a person who has been convicted on a charge involving fraud, dishonesty, moral turpitude or corruption.

(11) Notwithstanding subparagraph (9), an individual referred to in that subparagraph shall not be eligible for election as a member of the council of a management corporation if, on the seventh day before the date of election —

- (a) where he is a purchaser or co-purchaser of a parcel, any contributions, interest or other charges as at the date to be determined by the management corporation are in arrears in respect of that parcel or any other parcel under the same purchase; or
- (b) where he is the appointed representative of a purchaser of a parcel which is a company, society, statutory body or any other body, any contributions, interest or other charges as at the date to be determined by the management corporation are in arrears in respect of that parcel or any other parcel under the same ownership.

(12) An absent purchaser shall not be nominated for election as a member of the council unless he has appointed a proxy and has given his written consent to be nominated and elected as a member of the council.

(13) Notwithstanding the provisions of this paragraph, the developer shall, from the date of establishment of the management corporation until the first annual general meeting of the management corporation, make the council as its sole member acting in trust for the entire membership of the management corporation.

Vacation of office of member of council

4. (1) A person who is the chairman, secretary or treasurer or a member of a council shall vacate or shall be deemed to have vacated his office as such member —

- (a) if he resigns;
- (b) if he dies;
- (c) if he becomes a bankrupt;
- (d) if he is no longer a purchaser;
- (e) if he has been convicted on a charge in respect of —
 - (i) an offence involving fraud, dishonesty or moral turpitude;
 - (ii) an offence under any law relating to corruption;
 - (iii) an offence under this Enactment; or
 - (iv) any other offence punishable with imprisonment (in itself only or in addition to or in lieu of a fine) for more than two years;
- (f) if his conduct, whether in connection with his duties as a member of the council or otherwise, has been such as to bring discredit on the council;
- (g) if he is of unsound mind or otherwise incapable of discharging his duties;
- (h) in the case of the chairman, if he absents himself from three consecutive scheduled meetings of the council without the leave of the council;
- (i) in the case of a member of the council other than the chairman, if he absents himself from three consecutive meetings of the council without the leave in writing of the chairman;

- (j) in the case where the purchaser of the parcel is a company, society, statutory body or any other body, as the case may be, if he is by an ordinary resolution removed as the representative of the company, society, statutory body or any other body;
 - (k) if he is in default of payment of any contribution to the management corporation (including interest) for a continuous period of three months;
 - (l) in the case of a member of the council, if he commits a serious breach of the by-laws and has failed to remedy the breach, if the breach is capable of being remedied within fourteen days of the date of receipt of notice from the management corporation; or
 - (m) if he or the company, society, statutory body or any other body that he represents engages a lawyer to take legal action against the management corporation.
- (2) Within fourteen days of the occurrence of any of the events in subparagraph (1) except for the events under subparagraphs (1)(k) and (m), the company, society, statutory body or any other body may appoint another representative to replace the member of the council and to hold the office vacated.
- (3) Except where the council consists of all the purchasers, the management corporation may, at any time, by an ordinary resolution at an extraordinary general meeting remove any member of the council from office and subject to subparagraph 3(10) appoint another purchaser in his place to hold office until the next annual general meeting.
- (4) A member of the council may resign his office at any time in writing under his hand addressed to the management corporation.
- (5) Where a vacancy in the membership of the council occurs either because the annual general meeting was unable to elect members to all the positions available or because of any reason otherwise than by operation of subparagraph (3), the remaining members may, subject to subparagraphs 3(9), 3(10) and 3(11) appoint another purchaser to be a member until the next annual general meeting.
- (6) In the event that all the members of the council resign they shall continue as a pro tem council and shall call an extraordinary general meeting for the purpose of electing a replacement council within two weeks of such resignation.

Quorum for council meetings

5. A quorum at meetings of the council shall be half the number of members in the council rounded up to the nearest whole number.

Meetings and proceedings of the council

6. (1) The council shall meet at such times and places and at such intervals as the case may be as the chairman may decide, but the chairman shall not allow more than three months to lapse between meetings.

(2) The chairman shall call for a meeting if requested to do so by the Commissioner or by at least two members of the council, failing which the Commissioner may appoint any member of the council to convene the meeting.

(3) Notice of every meeting of the council shall be given to all members of the council not less than seven days before the date appointed for the meeting and such notice shall be displayed on the notice board of the management corporation.

(4) The requirement in subparagraph (3) shall not prevent a meeting from being called at shorter notice provided that there is consent from all the council members.

(5) Every meeting of the council shall be presided over by the chairman of the council, and in the absence of the chairman, the members of the council who are present may elect one of them to chair such meeting.

(6) Questions arising at meetings shall be decided by a simple majority vote, and if on any question to be determined by the council there is equality of votes, the chairman shall have a casting vote.

(7) Subject to subparagraph (5), the council may regulate its own procedure at meetings.

(8) The provisions of this paragraph shall not apply to a management corporation which only has one purchaser.

Remuneration of council members

7. Members of the council may be paid such remuneration as shall be determined by the management corporation in a general meeting.

Keeping of records and accounts of management corporation

8. (1) The council shall keep minutes of all its proceedings and minutes of general meetings.

(2) The Commissioner may require the council to give to each purchaser a copy of the minutes of the council meetings.

(3) The minutes of the meeting signed by the chairman of the meeting and the secretary shall be admissible in any legal proceedings as *prima facie* evidence of the facts stated in them without further proof.

(4) The council shall —

- (a) cause to be prepared such accounts and records of accounts as will sufficiently explain the transactions of the accounts and enable a true and fair balance sheet, income and expenditure statement and profit and loss statement to be prepared; and
- (b) on the application of a purchaser or chargee of a parcel, or any person authorised in writing by them, provide a copy of the audited statement of accounts of the management corporation, at a fee not exceeding fifty ringgit for each year of accounts applied for.

(5) The council shall prepare for each annual general meeting, the audited statement of accounts of the management corporation and the management corporation's income and expenditure.

(6) The council shall, within twenty-eight days after the general meeting, file with the Commissioner certified true copies of —

- (a) the audited accounts of the management corporation together with the auditor's report which has been presented to the general meeting;
- (b) the resolutions passed at the general meeting; and
- (c) the minutes of the general meeting signed by the chairman of the meeting and the secretary of the management corporation.

(7) The council shall within twenty-eight days of a general meeting extend copies of the minutes of the meeting to all purchasers or display the minutes of the meeting on the notice board of the management corporation.

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(8) The accounts of the management corporation shall be audited annually by an approved company auditor appointed by council.

(9) The council shall permit the Commissioner at all reasonable times, full and free access to accounting and other records of the management corporation, and permit the Commissioner to make copies or make extracts from any such accounting or other records.

(10) Notwithstanding the provisions of the Limitation Ordinance 1952 —

- (a) the management corporation shall maintain in perpetuity an archive of minutes, circulars, all building plans of whatever nature and correspondence with the authorities;
- (b) the council may decide policy from time to time with regard to retention times for any classes of records, including financial records, not referred to in subparagraph (a) beyond seven years or any statutory time limit exceeding seven years;
- (c) the general meeting may, in relation to subparagraph (b), by ordinary resolution formulate such policy and it shall be deemed to be the policy of the council until otherwise revised; and
- (d) during the developer's management period all records are to be retained for handover to the council following the first annual general meeting.

(11) Any records exceeding 7 years old may be archived by way of digital scan subject to an ordinary resolution of the management corporation which may make stipulations regarding data back-up protocols.

(12) A person who has possession or control of —

- (a) any records, books of account or keys belonging to a management corporation;
- (b) the Register of Purchasers kept by a management corporation; or
- (c) any other property of a management corporation,

shall, within seven days after service on him a notice of a resolution of the council requiring him to do so, deliver such records, books of account, keys, the Register of Purchasers and any other property to a member of the council specified in the notice.

Acts of council valid notwithstanding vacancy, etc.

9. Any act or proceeding of a council done in good faith shall, notwithstanding that at the time when the act or proceeding was done, taken or commenced there was —

(a) a vacancy in the office of a member of the council; or

(b) any defect in the appointment, or any disqualification of any such member,

be as valid as if the vacancy, defect or disqualification did not exist and the council was fully and properly constituted.

Resolutions of the council in writing

10. A resolution is taken to have been passed at a meeting of a council if the resolution in writing is signed by every member of the council indicating agreement with the resolution, and in the absence of such agreement by every member of the council, a meeting has to be held.

Disclosure of interest of council members

11. (1) A member of the council having any interest in any matter under discussion by the council shall disclose to the chairman or council, as the case may be, the fact of his interest and its nature.

(2) For the purpose of subparagraph (1), a member of the council shall be deemed to have an interest in the matter under discussion if he has interest in any company carrying on activities similar or related to the matter under discussion.

(3) A disclosure under subparagraph (1) shall be recorded in the minutes of the council and, after the disclosure, the member having an interest in the matter —

(a) shall not take part nor be present in any deliberation or decision of the council; and

(b) shall be disregarded for the purpose of constituting a quorum of the council.

(4) No act or proceedings of the council shall be invalidated on the ground that any member of the council has contravened the provisions of this paragraph.

(5) The disclosure of interest of council members shall apply in relation to matters of the council, and —

- (a) where the disclosure of any interest causes the council being unable to achieve a quorum; or
- (b) where it is necessary for a council members who has disclosed an interest to participate in any discussion or decision of the council,

the matter shall be referred to the general meeting of the management corporation and shall be decided by special resolution.

(6) For the avoidance of doubt, matters of the council in subparagraph (5) shall include any agreement for the supply of services, equipment or materials to the management corporation but shall not include matters under consideration by the council of the management corporation which relates exclusively to the affairs of a subsidiary management corporation.

PART III GENERAL MEETINGS

Annual general meeting

12. (1) The management corporation shall hold an annual general meeting for the consideration of accounts, election of the council and the transaction of such other matters as may arise.

(2) An annual general meeting of the management corporation shall be held in each calendar year and not more than fifteen months after the holding of the last annual general meeting.

(3) The holding of any annual general meeting out of time in breach of this paragraph shall not affect the validity of the annual general meeting.

(4) The requirement to hold annual general meetings shall not apply in the following circumstances:

- (a) where the management corporation has only one purchaser; or
- (b) where the management corporation has any number of purchasers who together are the undivided share purchasers of every parcel of the building.

Agenda of annual general meeting

13. (1) The agenda for an annual general meeting shall include the following matters:

- (a) a motion to confirm the minutes of the last general meeting;
- (b) to review matters arising from the last general meeting;
- (c) a motion to accept the annual audited accounts and financial statements;
- (d) to receive a statement of key financial information;
- (e) a motion to appoint an auditor for the current year of accounts;
- (f) to receive details of each insurance policy held by the management corporation;
- (g) to receive the registered property manager's annual report (where a registered property manager is engaged by the management corporation);
- (h) to decide on any other motions of which due notice has been given;
- (i) to discuss any other matter but without any formal motion;
- (j) to determine the number of members of the council; and
- (k) to elect the council where there are more than three purchasers.

(2) Notwithstanding the documents that have been previously distributed with the notice of the meeting pursuant to subparagraph 15(5), copies of the minutes of the last general meeting, the latest audited annual accounts and the auditor's report are to be made available to purchasers attending the meeting and a statement of key financial information based on the management accounts as at a date not more than eight weeks before the meeting, which is signed by the treasurer and the registered property manager (if appointed), shall also be distributed to purchasers present at the meeting.

Extraordinary general meetings

14. (1) A general meeting of the management corporation other than the annual general meeting shall be known as an extraordinary general meeting.

(2) The council shall convene an extraordinary general meeting upon —

- (a) a requisition in writing made by the purchasers entitled to vote who together hold —

- (i) at least ten percent of the total number of parcels in the building and comprise ten percent of the members of the management corporation; or
- (ii) at least one hundred parcels in the building,

whichever is lower;

- (b) receiving a direction in writing from the Commissioner for the transaction of such business as the Commissioner may direct; or
- (c) such other occasion as it thinks fit.

(3) The requisition under subparagraph (2) shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered office of the management corporation, and may consist of several documents in like form each signed by one or more requisitionists.

(4) The extraordinary general meeting shall be held as soon as practicable but in any case, not later than six weeks after —

- (a) the requisition has been deposited at the registered office of the management corporation under subparagraph (3);
- (b) receiving a direction in writing from the Commissioner under subsubparagraph(2)(b); or
- (c) the council's decision to hold an extraordinary general meeting pursuant to subsubparagraph (2)(c) is recorded in writing.

(5) If —

- (a) the Commissioner is satisfied that the council has not been properly constituted; or
- (b) the council fails to convene the extraordinary general meeting within the time period stipulated in subparagraph (4),

the Commissioner may authorise in writing any person to convene an extraordinary general meeting for such purposes as may be approved by the Commissioner.

(6) In the case of a meeting convened pursuant to subsubparagraph (5)(b), all costs incurred by the person in convening the meeting shall first be paid by the management corporation to that person and such costs shall be recoverable as a debt due from all the members of the council personally to the management corporation.

Notice of general meeting

15. (1) At least fourteen days before issuing the notice of a general meeting, the management corporation shall display a notice on the management corporation notice board inviting purchasers to submit —

- (a) motions for consideration at the meeting, each supported by a proposer and at least two seconders for consideration at the meeting; and
- (b) nominations for council membership where the meeting includes election of council.

(2) All such motions and council nominations shall be made in writing and shall be delivered to the registered address of the management corporation by a date specified in the notice, being not later than seven days before the planned date of the issuance of the notice of meeting.

(3) In the case of nominations for election to the council, each nomination shall be signed by a proposer and a seconder and by the nominee accepting such nomination.

(4) Co-purchaser may be a signatory to a proposed motion under subparagraph (1) or a nomination for election to the council provided that no person in co-purchase with them is also either a signatory to a proposed motion or is a nominee, proposer or seconder to a nomination to the council.

(5) Upon receipt of any motion under subparagraph (1), the council shall include the motion in the agenda of the planned meeting.

(6) At least fourteen days' notice for ordinary business of any general meeting shall, inclusive of any public holidays arising during the notice period, be given to every purchaser.

(7) Notwithstanding subparagraph (6), where the agenda of a general meeting includes any business requiring a special resolution, the minimum notice period shall be increased to twenty one days, and where it includes any business requiring a unanimous resolution, the minimum notice period shall be increased to thirty days.

(8) Every notice for a general meeting shall include but not be limited to the following:

- (a) the place, date and time for the meeting;
- (b) each proposed resolution to be considered at the meeting;

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- (c) a notification to each purchaser of his voting rights and that he may vote in person or by proxy at the meeting; and
- (d) where the meeting is in relation to election of council members, a list of the nominations received by the management corporation.

(9) In the case of an annual general meeting, the notice in subparagraph (6) shall also —

- (a) be accompanied by a copy of the minutes of the last annual general meeting;
- (b) be accompanied by a copy of the audited accounts together with the auditor's report on the accounts of the management corporation; and
- (c) specify any other matters to be considered at the meeting.

(10) No motion shall be submitted at a general meeting unless —

- (a) notice of the motion has been given in accordance with this paragraph;
or
- (b) the motion amends a motion of which notice has been so given.

(11) Apart from formal nominations to council notified together with the notice for the meeting, additional oral nominations may be invited at the time of holding the election in the event that there were insufficient nominees to fill all the available council positions and are to be accepted provided the nominee is present and agrees and the proposer, seconder and nominee are purchasers who are eligible to vote in their own right.

Attendance of general meeting

16. (1) The following persons may attend the general meeting of the management corporation:

- (a) any purchaser or, where the purchaser is unable to attend in person, his proxy;
- (b) staff of the management corporation; or
- (c) any registered property manager or consultant engaged by the management corporation.

(2) For the avoidance of doubt, attendance at general meetings is restricted to the classes of person referred to in subparagraph (1) and shall not include family members, professional advisors or other invitees of attendees or any attendee, nor a proxy where the purchaser appoints such proxy to attend the meeting on his behalf, unless the proxy is otherwise entitled to attend in his own right.

Persons entitled to vote at general meetings

17. (1) A purchaser shall be entitled to vote on any motion submitted to a general meeting of a management corporation or on any election of its council or, where the purchaser is unable to attend in person, through his proxy.

(2) The council of the management corporation shall put up a list of the names of the persons who are entitled to vote at a general meeting on the management corporation notice board at least forty eight hours before the general meeting.

Quorum at general meeting

18. (1) Unless otherwise stipulated in the Enactment, fifty percent of the purchasers present who are entitled to vote, either in person or by proxy, shall constitute a quorum at a general meeting.

(2) If within half an hour after the time appointed for a general meeting a quorum is not present, those purchasers present who are entitled to vote shall constitute a quorum provided there are at least two purchasers present.

(3) Where a special or unanimous resolution is intended to be passed in a general meeting and a quorum of purchasers is not present after sixty minutes after the time appointed for a general meeting has passed, the purchasers present shall constitute a quorum.

Chairman of general meeting

19. (1) Every general meeting shall be presided over by the chairman of the council but in the event where the chairman of the council is not present the chairman shall be elected by those purchasers present who are entitled to vote from among the purchasers who are entitled to vote, and the chairman shall preside over such meeting until its conclusion.

(2) Notwithstanding subparagraph (1), if the management corporation engages a registered property manager to manage the building, the chairman of the council shall have the authority to direct that such registered property manager to chair the meeting on his behalf.

(3) At a general meeting of a management corporation, its chairman may rule that a motion submitted to the meeting is out of order if he considers that the motion, if carried out, would conflict with this Enactment or the by-laws or would otherwise be unlawful or unenforceable.

Manner of deciding matters at general meeting

20. (1) Any matter that requires a decision at a general meeting shall be decided on a show of hands by persons entitled to vote unless a poll is demanded by a purchaser or his proxy.

(2) Unless a poll is demanded, a declaration by the chairman that a resolution has been carried on a show of hands shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

(3) A proxy shall be entitled to vote on a show of hands or by poll.

(4) The purchaser or his proxy demanding the poll may withdraw such demand.

(5) Where a poll is taken, it shall be taken in such manner as the chairman thinks fit, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(6) In the case of an equality of votes, whether on a show of hands or a poll, the chairman shall be entitled to a casting vote.

(7) Election of council members shall be by poll by the use of voting slips.

Proxies

21. (1) An instrument appointing a proxy shall be in writing —

- (a) under the hand of the purchaser making the appointment or his attorney, and may be either general or for a particular meeting; or
- (b) if the purchaser appointing the proxy is a company, society, statutory body or any other body, either under seal or under the hand of an officer or its attorney duly authorized.

(2) An instrument appointing a proxy if made under the hand of an attorney shall be accompanied with a copy of the power of attorney.

(3) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

(4) No person shall act as proxy except as follows:

- (a) he is a natural person of sound mind who has reached eighteen years of age;
- (b) where a person is a co-purchaser of a parcel, they may act as proxy for any or all the other co-purchaser of that parcel;
- (c) based on the number of members of the management corporation, a person may not act as proxy for more than the number of members stated as follows:

<u>Size of management corporation</u>	<u>Proxy limit</u>
1 to 20 members	1 member
21 to 50 members	2 members
51 to 100 members	3 members
101 to 200 members	4 members
201 or more members	5 members

(5) No purchaser shall appoint more than one proxy notwithstanding the number of parcels he owns.

(6) The instrument appointing a proxy shall be deposited at the registered address of the management corporation not less than forty-eight hours before the time for holding any meeting or any adjournment of the meeting at which the person named in the instrument proposes to vote, failing which the proxy shall not be entitled to attend or vote in the meeting.

Authority not to be revoked by death of principal, etc.

22. A vote given in accordance with the terms of an instrument of appointing proxy shall be valid notwithstanding the previous death or unsoundness of mind or liquidation of the principal, or revocation of the instrument or the authority under which the instrument was executed, if no notice in writing of such death, unsoundness of mind, liquidation or revocation has been received by the management corporation at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

Voting rights of purchaser

23. (1) Each purchaser who is not a co-purchaser of a parcel shall have one vote on a show of hands and on a poll shall have such number of votes as that corresponding with the number of voting rights attached to his parcel.

(2) In the case of the developer, their voting rights shall be limited to only parcels that they have not sold.

(3) A purchaser shall not be entitled to vote if, on the seventh day before the date of the meeting, all or any contributions or any other money due and payable to the management corporation in respect of his parcel are in arrears.

Voting rights of co-purchaser of a parcel

24. (1) Co-purchasers may vote by means of a jointly appointed proxy or by appointing anyone of them or any other person.

(2) In the absence of a proxy, co-purchasers shall not be entitled to vote on a show of hands, except where unanimous resolution is required, provided that any one co-purchaser may demand a poll.

(3) On a poll, each co-purchaser shall be entitled to such number of the votes attaching to his parcel as is proportionate to his interest in the parcel.

General meeting and voting via electronic means

25. At the discretion of the management corporation, general meetings of the management corporation may be conducted via electronic means and any voting on motions and election may be done through teleconference, video-conferencing, email or other electronic devices.

Nominee

26. (1) An purchaser that is not a natural person may be represented in any meeting as follows:

- (a) if the purchaser is a company, by its representative duly authorised under its seal or the hand of its director, or by any duly authorised attorney or by its appointed proxy;
- (b) if the purchaser is a company where a receiver or a receiver and manager is appointed, by the receiver or the receiver and manager or a person duly authorized by the receiver or the receiver and manager or by its appointed proxy;
- (c) if the purchaser is a company which is under liquidation, by the liquidator or any person duly authorized by the liquidator or by its appointed proxy;
- (d) if the purchaser is a society, by any one of its office bearers or any person duly authorised by the society or by its appointed proxy;
- (e) if the purchaser is a statutory body or any other body, by one of its members or such other duly authorized person or by its appointed proxy; or
- (f) if the purchaser is deceased, by the executor named in the will or the administrator appointed by the court.

(2) Any instrument appointing representatives shall be deposited at the registered address of the management corporation not less than forty-eight hours before the time for holding any meeting or any adjournment of the meeting at which the person named in the instrument proposes to vote, failing which such representatives shall not be entitled to attend or vote in the meeting.

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CERTIFIED by me to be a true copy of the Bill passed by the Legislative Assembly on Thursday, the 30th day of April, 2026.

DATUK SERI PANGLIMA HAJI KADZIM BIN HAJI M. YAHYA,
Speaker,
State Legislative Assembly.

Sabah Lawnet