

FAQ

The types of grants to States can be divided into two categories

1. Statutory Grants consist of

- i. Capitation Grant as stated in Article 109 (1) (a) of the Federal Constitution
- ii. State Road Grant as stated in Article 109 (1) (b) of the Federal Constitution.
- iii. State Reserve Fund as stated in Article 109 (6) of the Federal Constitution.
- iv. Assignment of Export Duty On Tin as stated in Article 110 (3) of the Federal Constitution.
- v. Assignment Export Duty On Iron Ore and Other Minerals as stated in Assignment of Revenue (Export Duty on Iron Ore) Act 1962 or Assignment of Export Duty (Mineral Ores Act 1964).
- vi. Special Grants to States of Sabah and Sarawak as stated in Article 112C (1) of the Federal Constitution.
- vii. Revenue Growth Grants as stated in Revenue Growth Grants Acts 1977 and its amendment in 1980.
- viii. Compensation and Annual Grant to State of Selangor as stated in Federal Territory (Financial Arrangement) Act 1982.
- ix. Grant to Local Authorities as stated in State Grants (Maintenance of Local Authorities) Act 1981 and Local Government Act 1976.
- x. Grants Based on Economic Development, Infrastructure and WellBeing Status as stated in Article 109 (6) of the Federal Constitution and papers no. 4/1983 and 3/1984 at National Finance Council.

2. Non-Statutory Grants are

- i. Contributions in aid of rates as stated in Article 156 of the Federal Constitution.

- ii. Grant Based On Performance of Federal Development Projects as stated in Article 80(5) of the Federal Constitution and the Treasury Circular Letter No. 17/1979.
- iii. Advance to States.
- iv. Loans to States in Article 111 (2) of the Federal Constitution.