

FAQ

1. What is a Federal Statutory Body?

A Federal Statutory Body has been defined by the Statutory Bodies (Accounts and Annual Reports Act) 1980 [Act 240] as: “Any body corporate, irrespective of the name by which it is known, that is incorporated pursuant to the provisions of federal law and is a public authority or an agency of the Government of Malaysia but does not include a local authority and a body corporate that is incorporated under the Companies Act 1965.” Similar to a company, a Federal Statutory Body is a separate entity that has the power to administrate, sue and being sued on its own name, sign contracts, own, buy and hold assets.

2. What is the purpose of establishing Federal Statutory Bodies?

Federal Statutory Bodies have played an important and distinct role in advising government and delivering services to the public. They are normally established to carry out tasks which it would be inappropriate for legal or other reasons for government departments to do. In essence, the objectives of establishing Federal Statutory Bodies are:

- i. They are the best and most cost-effective way in which to deliver some of public services;
- ii. They can focus in depth on clear and specific functions and purposes;
- iii. They can operate with a degree of independence from government, and provide expert independent advice on technical, scientific or other complex or sensitive issues;
- iv. They can operate flexibly, in ways that may not be open to government departments – for instance, in building partnerships with other organizations and taking commercial and entrepreneurial decisions;
- v. It allow public sector to benefit from the skills, knowledge, expertise and commitment of the lay people who sit on the Federal Statutory Bodies’ boards.

3. Who is the highest authority in the operational governance of Federal Statutory Bodies?

In respect to the operation of Federal Statutory Bodies, the authority lies at their respective boards. The success or failure of the entities is the responsibility of the board.

4. What are some of the major reference for Federal Statutory Bodies? Some essential legislations that Federal Statutory Bodies need to adhere to are:

- i. Statutory Bodies (Account and Annual Report) Act 1980 [Act 240]
- ii. Statutory Bodies (Power to Borrow) Act 1999 [Act 596]
- iii. Statutory Bodies (Discipline and Surcharge) Act 2000 [Act 605]
- iv. Akta Badan Berkanun (Tatatertib dan Surcaj) 2000 [Akta 605]
- v. Government circulars related to Federal Statutory Bodies

5. What are the areas inside the Federal Statutory Bodies' establishment acts fall within the Minister of Finance's power?

Generally, areas related to the Minister of Finance's power inside Federal Statutory Bodies' establishment acts are matters related to investment, borrowing and setting up of companies or subsidiaries

6. What is the basis of appointment representative from Ministry of Finance in board of director in Statutory Body?

Representative from Ministry of Finance as a board members are appointed based on Statutory Act of a Statutory Body.