

A BILL

*i n t i t u l e d*

An Act to amend the Strata Titles Act 1985.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

**Short title and commencement**

1. (1) This Act may be cited as the Strata Titles (Amendment) Act 2016.

(2) This Act comes into operation in each State on a date to be appointed by the Minister, with the approval of the National Land Council in relation to that State, by notification in the *Gazette*, and the Minister may, with the approval of the National Land Council, appoint different dates for the coming into operation of different provisions of this Act.

(3) This Act comes into operation in the Federal Territory of Kuala Lumpur, the Federal Territory of Putrajaya and the Federal Territory of Labuan 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 provisions of this Act.

**Amendment of long title**

2. The Strata Titles Act 1985 [Act 318], which is referred to as the “principal Act” in this Act, is amended in the long title by substituting for the words “and the disposition of titles thereto” the words “, the disposition of titles and the collection of rent”.

**Amendment of preamble**

3. The principal Act is amended in the preamble by inserting after the words “transfer of parcels in a building or land,” the words “collection of rent,”.

**Amendment of section 4**

4. Section 4 of the principal Act is amended—

- (a) in the definition of “land parcel”, by inserting after the words “four storeys” the words “(excluding shared basement)”;
- (b) in the definition of “original proprietor”, by inserting after the words “subdivision of building” the words “or land”; and
- (c) by inserting after the definition of “Registrar” the following definition:

‘ “rent” has the meaning assigned to it under section 5 of the National Land Code and includes any annual sum payable to the State Authority of any parcel or provisional block pursuant to section 4c by way of rent and any fees due to the State Authority in respect of any arrears of rent provided by rules under section 81;’.

**Amendment of section 4A**

5. Subsection 4A(4) of the principal Act is amended by deleting the words “or substitute any of the Forms in”.

**New section 4c**

6. The principal Act is amended by inserting after section 4B the following section:

**“Coming into operation of the rent of parcel or provisional block, etc.**

**4c.** (1) The Minister may, with the approval of the National Land Council, by notification in the *Gazette*, appoint a date for the coming into operation of rent of parcel or provisional block in any State.

(2) Upon the coming into operation of the implementation of rent of parcel or provisional block in any State—

(a) the provisions of Part IVA shall apply;

(b) the provisions of this Act shall—

(i) in so far as the provisions relate to the procedure for the implementation of rent of parcel or provisional block and for the purposes connected therewith; and

(ii) in so far as the provisions relate to the endorsement to be made or other matters ancillary thereto for the carrying into effect of the rent of parcel or provisional block, to the document of strata title or strata register,

be read with modifications, amendments, additions, deletions, substitutions or adaptations as provided in Part IVA.”.

**Amendment of section 8**

7. Section 8 of the principal Act is amended—

(a) in paragraph 8(2)(b), by substituting for the words “of issuance of the certificate of completion and compliance” the words “the building is completed”;

(b) in paragraph 8(2)(c), by substituting for the words “of the issuance of the certificate of completion and compliance” the words “the building is completed”;

(c) by substituting for subsection (8) the following subsection:

“(8) The original proprietor who is guilty of an offence under subsection (7) shall, on conviction—

(a) be liable to a fine of not less than ten thousand ringgit but not more than one 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 of not less than one hundred ringgit but not more than one thousand ringgit for every day during which the offence continues to be committed; and

(b) the court may order the original proprietor to apply for subdivision of building or land within a period specified in the order.”; and

(d) by inserting after subsection (8) the following subsection:

“(9) For the purposes of paragraphs (2)(b), (c), (d) and (e), the date on which the building is or was completed shall be the date on which the certificate of completion and compliance is issued, certified by any local authority to be fit for occupation or use, or certified in accordance with the provisions of any written law for the time being in operation.”.

### **Amendment of section 8A**

**8.** Section 8A of the principal Act is amended by inserting after subsection (1) the following subsection:

“(1A) Notwithstanding subsection (1), the Director of Survey, in approving the application for the certificate of proposed strata plan—

(a) of a special building; or

(b) in any other circumstances where he deems fit, may give exemption to the documents in paragraphs (1)(e) and (h) or require any other documents together with the application.”.

**Amendment of section 9**

**9.** Subsection 9(1) of the principal Act is amended—

(a) by substituting for the words “building, building and land, under subsection 6(1) and subdivision of land under subsection 6(1A)” the words “building or land”; and

(b) by substituting for paragraph (h) the following paragraph:

“(h) a certified copy of the certificate of completion and compliance or certificate of fitness for occupancy, as the case may be, except—

(i) in the case under paragraph 8(2)(a);

(ii) when the building is classified as special building and the certified copy of the certificate of completion and compliance or certificate of fitness for occupancy is not available; or

(iii) in any other circumstances where the Land Administrator is satisfied that the certified copy of the certificate of completion and compliance or certificate of fitness for occupancy may be exempted; and”.

**Amendment of section 9A**

**10.** Section 9A of the principal Act is amended by deleting the words “, being a building or land capable according to subsection 6(1) or (1A) of being subdivided,”.

**Amendment of section 10**

**11.** Subsection 10(2) of the principal Act is amended by inserting after the words “subdivision of any building” the words “or land”.

**Amendment of section 17**

**12.** Section 17 of the principal Act is amended—

(a) in subsection (3)—

(i) by substituting for the word “Registrar” the word “Director”; and

(ii) by substituting for the words “specified in the certificate” the words “the book of strata register is opened”; and

(b) in subsection (5), by substituting for the word “Registrar” the word “Director”.

**Amendment of section 17A**

**13.** Section 17A of the principal Act is amended—

(a) in paragraph 17A(2)(a), by inserting after the words “the special plan” the words “prepared by a land surveyor”;

(b) in paragraph 17A(2)(c), by substituting for the word “prescribed” the word “determined”; and

(c) in paragraph 17A(3)(c), by substituting for the words “and any approved amendments thereto” the words “as approved by comprehensive resolution”.

**New section 17B**

**14.** The principal Act is amended by inserting after section 17A the following section:

**“Ownership of common property and custody of issue document of title**

**17B.** (1) The management corporation shall become the proprietor of the common property and the custodian of the issue document of title of the lot.

(2) Subject to subsection (3), the management corporation shall, in relation to the common property, have the powers conferred by the National Land Code on a proprietor in relation to its land.

(3) The management corporation—

(a) shall exercise all the powers referred to in subsection (2) only on the authority of a unanimous resolution (except where it is specifically provided otherwise in this Act); and

(b) shall not have the power to transfer, charge or lien any portion of the common property which forms part of the building or of the land on which the building stands.

(4) Where an instrument is executed by the management corporation in the exercise of its powers under subsection (2), the instrument shall be accompanied by a document under the seal of the management corporation stating that—

(a) the resolution directing the transaction to which the instrument relates was passed; and

(b) the transaction conforms to the terms of the resolution.

(5) The instrument executed under subsection (4) shall, in favour of the Registrar or a party to the transaction other than the management corporation, be conclusive evidence of the facts certified.”.

**Deletion of section 19A**

15. The principal Act is amended by deleting section 19A.

**Amendment of section 20A**

16. Section 20A of the principal Act is amended by inserting after subsection (1) the following subsection:

“(1A) Notwithstanding subsection (1), the Director of Survey, in approving the application for the certificate of proposed strata plan—

(a) of a special building; or

(b) in any other circumstances where he deems fit,

may give exemption to the documents in paragraphs (1)(e) and (i) or require any other documents together with the application.”.

**Amendment of section 20B**

17. Subsection 20B(1) of the principal Act is amended—

(a) by substituting for paragraph (e) the following paragraph:

“(e) a certified copy of the certificate of completion and compliance or certificate of fitness for occupancy, as the case may be, except—

(i) in the case under paragraph 20(2)(a);

(ii) when the building is classified as special building and the certified copy of the certificate of completion and compliance or certificate of fitness for occupancy is not available; or

(iii) in any other cases where the Land Administrator is satisfied that the certified copy of the certificate of completion and compliance or certificate of fitness for occupancy may be exempted; and”;



(b) in paragraph (f), by substituting for the word “(d)” the word “(c)”.

## **New Parts IVA and IVB**

**18.** The principal Act is amended by inserting after Part IV the following parts:

### **“PART IVA**

#### **COLLECTION OF RENT**

### **Interpretation**

**23A.** In this Part, unless the context otherwise requires—

“existing documents of strata titles” means any documents of strata title registered and issued before the coming into operation of section 4c;

“existing issue document of title of the lot” means any existing issue document of title of the lot issued before the coming into operation of section 4c;

“existing issue document of strata title” means existing issue document of strata title issued before the coming into operation of section 4c.

### **Rent to be debt due to State Authority**

**23B.** The rent payable in respect of each parcel or provisional block is a debt due to the State Authority and, without prejudice to the provisions of this Act relating to forfeiture of the parcel or provisional block for non-payment thereof, may be recoverable by action brought pursuant to section 16 of the National Land Code.

**Determination and computation of rent**

**23c.** (1) Upon the coming into operation of section 4c—

(a) the Land Administrator shall determine the amount of rent; and

(b) the Registrar shall—

(i) make a memorial on the register and issue documents of titles to the lot, the date that the rent of the lot ceased to be effective and rent of parcel or provisional block comes into operation, notwithstanding anything contained in the title of the lot; and

(ii) endorse on the documents of strata titles with the amount of rent.

(2) The Registrar shall make a memorial or an endorsement to the existing issue document of title of the lot and the existing issue document of strata title pursuant to subparagraph (b)(i) or (ii) when those titles are produced to him.

(3) The rent reserved in respect of parcel or provisional block shall become payable from the beginning of the calendar year.

(4) In relation to the existing documents of strata titles, the rent of parcel or provisional block becomes payable from the beginning of the calendar year.

(5) In relation to the documents of strata titles registered after the coming into operation of section 4c, the rent becomes payable from the beginning of the calendar year next following.

(6) The rent payable in relation to any calendar year shall fall due in full on the first day of that year and, if not sooner paid, shall be treated for the purpose of this Act as becoming in arrears on the first day of June in that year.

(7) For the purposes of subsection (6), subsection 94(2) of the National Land Code and the modification as stated in paragraph 1 of the Twelfth Schedule to the National Land Code shall be applicable.

(8) For the purpose of paragraph (1)(a), the rent of parcel or provisional block—

(a) shall be computed on the basis of a rate per square metre for each parcel, or parcel and accessory parcel, or provisional block, as the case may be; and

(b) the arrears of rent of the lot may be—

(i) included in proportion to the share units and provisional share units; or

(ii) recoverable by any other manner prescribed.

(9) Where the rent computed in relation to any parcel or provisional block is or includes a fraction of a ringgit, it shall be rounded up to one ringgit or to the nearest ringgit above the amount so computed, as the case may be.

(10) The provisions of this section shall have effect subject to any remission or rebate of rent granted or allowed pursuant to rules made under paragraph 81(1)(aa) and to any authorization granted for the payment by installments or deferment of payment of any rent.

### **Where rent payable**

**23D.** The rent payable in relation to parcel or provisional block shall be paid by or on behalf of the proprietor at—

(a) the office of the Land Administrator or at any other place which the Land Administrator may deem fit; or

(b) such other places as prescribed or through any person or body as approved by the State Authority.

**Notice of demand**

**23E.** (1) Where any rent payable in relation to any parcel or provisional block is in arrear, the Land Administrator may cause to be served on the proprietor thereof a notice of demand in Form 11.

(2) As soon as Form 11 is served on the proprietor, the Land Administrator shall cause to be served on every chargee, lessee, sublessee, tenant, lien-holder, caveator and easement holder, a copy of Form 11.

(3) A note of the service of Form 11 under subsection (1) shall be endorsed by or at the instance of the Land Administrator, on the register document of title to the parcel or provisional block to which the notice relates.

**Right of chargees, lessees, etc., to pay sum demanded**

**23F.** (1) The sum demanded in Form 11 may be paid to the Land Administrator within the time specified in Form 11 by any of the following persons or bodies in addition to the proprietor:

- (a) any chargee, person or body having a registered interest affecting the parcel or provisional block (including a charge of any lease or sub-lease thereof);
- (b) any person or body having a lien over the parcel or provisional block, or over any lease or sub-lease thereof;
- (c) any person or body in occupation of any part thereof under any tenancy exempt from registration which has become protected by an endorsement on the register document of title to the parcel or provisional block under section 317 of the National Land Code; and
- (d) any person or body having a claim protected by caveat affecting the parcel or provisional block or any interest therein.

(2) Any sum paid by a chargee pursuant to subsection (1) shall be added to, and deemed for all the purposes of this Act to form part of, the first payment thereafter falling due to him under the charge.

(3) Any sum so paid by any other person or body referred to in subsection (1)—

(a) shall be recoverable from the proprietor by civil action; and

(b) may, if paid by a lessee, sub-lessee or tenant, be recovered alternatively by deduction from any rent then or thereafter payable to him under the lease, sub-lease or tenancy.

(4) Any lessee, sub-lessee or tenant who incurs any additional liability, or suffers any deduction, under this section may recover the amount thereof either by civil action against the proprietor or by deduction from any rent then or thereafter payable by him under his lease, sub-lease or tenancy.

### **Effect of payment of sum demanded**

**23G.** If the whole of the sum demanded in Form 11 is paid to the Land Administrator within the time specified therein, the notice shall cease to have effect, and the Land Administrator shall cancel, or cause to be cancelled, the note endorsed pursuant to subsection 23E(3) on the register document of title to the parcel or provisional block to which the notice relates.

### **Forfeiture for non-payment of sum demanded**

**23H.** (1) The Land Administrator shall not during the period specified in Form 11 accept any payment by or on behalf of any person or body of a lesser amount than the sum thereby demanded.

(2) The Land Administrator shall, at the expiration of the period stated in Form 11 the whole of that sum has not been paid to him, by order—

- (a) declare the parcel or provisional block to be forfeited to the State Authority; and
- (b) vested and registered in the name of any statutory authority as prescribed to hold the parcel or provisional block, and for the benefit, of the State Authority.

### **Power of State Authority to revise rent periodically**

**23i.** (1) Subject to subsection (5), the State Authority may from time to time revise in accordance with provisions of this section the rent payable in respect of parcel or provisional block within the State.

(2) Any revision of rent under this section shall extend to all parcel or provisional block within the State except parcel or provisional block of any classes or description which the State Authority may think fit to exempt.

(3) On any revision of rent under this section, the State Authority may—

- (a) increase or reduce by the same proportion the rent payable in relation to all parcel or provisional block to which the revision extends; or
- (b) make different provisions for different classes or descriptions of such parcel or provisional block, either—
  - (i) provision for increasing or reducing rent by the same proportion, or
  - (ii) provision imposing a new rate of rent thereon.

(4) In the exercise of the powers conferred by this section, the State Authority shall take no account of increases in parcel or provisional block values attributable due to improvements.

(5) Any revision of rent under this section shall be made at such time as the State Authority may, with the approval of the National Land Council, determine, but—

(a) on the first revision, it shall—

(i) have effect not less than ten years after the coming into operation of this Part; and

(ii) be made together with the revision of rent under section 101 of the National Land Code; and

(b) any subsequent revision shall—

(i) have effect of not less than ten years after the last revision of the rent; and

(ii) be made together with revision of rent under section 101 of the National Land Code.

(6) Where a revision of rent has been made under this section, the Registrar or Land Administrator shall, as soon as possible—

(a) amend the amount of rent endorsed on the document of title to, and payable in respect of, parcel or provisional block affected by the revision by substituting the revised rent for that amount; and

(b) note the date of making the amendment and the authority therefor and authenticate the same under his hand and seal.

### **Effect of termination of subdivision**

**23J.** In relation to the memorial made pursuant to subsection 57(2), the Registrar shall make a memorial on the register and issue documents of title to the lot, the date on which the rent of the lot comes into operation the next following calendar year at the recent revision pursuant to section 101 of the National Land Code.

## PART IVB

## FORFEITURE AND VESTING

**Interpretation**

**23K.** In this Part, unless the context otherwise requires—

“transferee” means statutory authority prescribed to be registered as new proprietor by way of vesting to hold the parcel or provisional block on behalf, and for the benefit, of the State Authority;

“former proprietor” means a person who, or a body which, immediately before the reversion of a parcel or provisional block to the State Authority is the proprietor of a parcel or provisional block.

**Reversion to State Authority and vesting to take effect upon notification in the *Gazette***

**23L.** (1) The Land Administrator shall, after making of an order under section 23H of this Act or section 129 of the National Land Code in relation to any parcel or provisional block, publish in the *Gazette* a notification in Form 12.

(2) The Land Administrator shall, as soon as possible, after the publication of Form 12 in the *Gazette*—

(a) cause a copy of the notification under subsection (1) to be sent to the management corporation; and

(b) publish the notification in accordance with section 433 of the National Land Code.

(3) The Registrar shall, after the publication in paragraph (2)(b), make a memorial to the effect that the parcel or provisional block has been forfeited and vested in the transferee on the register document of title and issue document of title.



**Effect of forfeiture**

**23M.** Upon taking into effect of any forfeiture in relation to any parcel or provisional block under this Part—

- (a) the parcel or provisional block shall revert and vest in the transferee, freed and discharged from any interest subsisting or capable of arising immediately before the forfeiture took effect;
- (b) the Land Administrator, by notice in the *Gazette* in Form 12, declares that the parcel or provisional block which reverts to the State Authority shall vest and be registered in the name of the transferee to hold the same on behalf, and for the benefit, of the State Authority;
- (c) there shall also vest in the transferee without any arrears relating to management fund, debt and any other outstanding payment payable under Strata Management Act 2013 [Act 757] that is liable to the former proprietor;
- (d) there shall vest in the transferee, without payment of compensation, any parcel or provisional block then existing on the land; and
- (e) any item of land revenue then due to the State Authority in relation to the parcel or provisional block shall be extinguished.

**Parcel or provisional block not to be transferred during period for appeal against forfeiture**

**23N.** (1) Where any parcel or provisional block has reverted and vested to the transferee by reason of the taking into effect of any forfeiture under this Part, the transferee shall not effect dealings permitted under Division IV of the National Land Code at any time before—

- (a) the expiry of the period of three months under section 418 of the National Land Code which an appeal lies to the court against the order of the Land Administrator under section 23H of this Act or section 129 of the National Land Code; or

- (b) the determination of the appeal and of any proceedings consequent thereon (if such an appeal is lodged during that period).

(2) The provision of subsection (1) shall be without prejudice to the power of the State Authority under section 23o to annul the forfeiture at any time on a petition by the former proprietor immediately before the forfeiture took effect.

**Power of State Authority to annul forfeiture, etc.**

**23o.** (1) Any former proprietor immediately before the forfeiture under this Part may at any time apply by a petition to the State Authority to annul the forfeiture.

(2) The State Authority may in its absolute discretion refuse or allow any petition under this section, and if the State Authority allows the petition, may do so conditionally upon payment by the petitioner—

- (a) if the forfeiture involving a non-payment of rent—
  - (i) all the sums now due which was required to be paid by the notice of demand served under section 23E of this Act;
  - (ii) such penalty, not exceeding six times the sum which was required to be paid under subparagraph (i), as the State Authority may think fit to impose; and
  - (iii) such other sums paid by the transferee upon taking effect of forfeiture pursuant to subsection 23L(3);
- (b) if the forfeiture involving a breach of condition, the State Authority may determine the amount in respect of the expenses occasioned by the forfeiture; and
- (c) all sums as mentioned in paragraphs (a) or (b) shall be paid within one month beginning from the date on which it was communicated.

(3) Where the petitioner fails to settle the amount which was required to be paid under paragraph (2)(c), the allowance of the petition for the annulment of the forfeiture shall be null and void.

(4) Upon payment of all sums specified under paragraph (2)(c), the Registrar shall make a memorial to effect the vesting of the parcel or provisional block to the petitioner on the register and issue documents of title.

### **Appeal against forfeiture**

**23P.** (1) The validity of any forfeiture under this Part shall not be challenged in any court except by means of, or in proceedings consequent upon, an appeal under section 418 of the National Land Code against the order of the Land Administrator under section 23H of this Act or section 129 of the National Land Code, and notwithstanding anything in any other written law, no appeal shall be commenced after the expiry of the period of three months allowed under section 418 of the National Land Code.

(2) No order of the Land Administrator under section 23H of this Act or section 129 of the National Land Code shall be set aside by any court except upon the grounds of its having been made contrary to the provisions of this Part, or of there having been a failure on the part of the Land Administrator to comply with the requirements of any such provision, and no such order shall be set aside by reason only of any irregularity in the form or service of any notice under Part IVA and this Part unless, in the opinion of the court, the irregularity was of a significant nature.

(3) In any appeal or other proceedings as mentioned in subsection (1), it shall be presumed until the contrary is proven that all notices required to be served under Part IVA and this Part were duly and regularly served.

(4) The provisions of subsection (1) shall not affect the right of any person or body to bring an action for damages against the State Authority, or (subject to section 22 of the National Land Code), against any officer appointed by the State Authority, in respect of any act or thing wrongfully done, or ordered to be done or omitted to be done, in connection with any forfeiture under this Part.”.

**Amendment of heading Part V**

**19.** The heading of Part V of the principal Act is amended by substituting for the words “SUBDIVIDED BUILDINGS:” the words “SUBDIVIDED BUILDING OR LAND:”.

**Amendment of section 25**

**20.** Section 25 of the principal Act is amended by inserting after subsection (1) the following subsection:

“(1A) No application under subsection (1) shall be made unless—

(a) in relation to the division of a parcel, the express conditions for the new parcels are not contrary to the express conditions of the affected parcel; or

(b) in relation to amalgamation of parcels—

(i) the express conditions for the affected parcels are not contrary with one another; and

(ii) the express conditions for the new parcel are not contrary to the express condition of the affected parcels.”.

**Amendment of section 33A**

**21.** Section 33A of the principal Act is amended by inserting after the word “building” the words “or land”.

**Amendment of section 34**

**22.** Section 34 of the principal Act is amended by inserting after subsection (3) the following subsection:

“(4) A proprietor is not allowed to apply for any amendment of the express conditions on his documents of strata title.”.

**Amendment of section 35**

**23.** Subsection 35(2) of the principal Act is amended by inserting after the word “building” the words “or land”.

**Amendment of heading of Part VIII**

**24.** The heading of Part VIII of the principal Act is amended by inserting after the word “BUILDING” the words “OR LAND”.

**Amendment of section 56**

**25.** Section 56 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the word “**building**” the words “**or land**”; and
- (b) in subsection (1), by inserting after the word “building” the words “or land”.

**Amendment of section 57**

**26.** Section 57 of the principal Act is amended—

- (a) in subsection (1)—
  - (i) by inserting before the words “may be directed by unanimous resolution” the words “after making sure that no land revenue is outstanding”; and
  - (ii) by inserting after the words “subdivision of the building” the words “or land”.
- (b) in subsection (2), by substituting for the words “the Registrar” the words “and if the Registrar is satisfied, he”;
- (c) in subsection (3), by inserting after the word “building” the words “or land”;

(d) in subsection (4), by substituting for paragraph (d) the following paragraph:

“(d) the former proprietors may by unanimous resolution direct the management corporation—

(i) to transfer the lot to any one or more of the former proprietors or to any other person or body; and

(ii) to determine the reasonable period for the management corporation to continue in existence to settle its affairs; and”;

(e) in subsection (6)—

(i) in paragraph (a)—

(A) by substituting for the words “wind up” the word “settle”; and

(B) by deleting the word “and” after the words “to exist;”; and

(ii) by inserting after paragraph (a) the following paragraph:

“(aa) informing the Registrar the date that the management corporation shall cease to exist; and”;

(f) in subsection (8)—

(i) in the definition of “former chargee”, by inserting after the words “building” wherever appearing the words “or land”; and

(ii) in the definition of “former proprietor”—

(A) by substituting for the words “subdivided building” the words “subdivided building or land”; and

- (B) by inserting after the words “parcel in the building” the words “or land”.

### **New Part VIII A**

- 27.** The principal Act is amended by inserting after Part VIII the following part:

“PART VIII A

EFFECT OF ACQUISITION OF SUBDIVIDED  
BUILDING OR LAND

**Procedure of taking formal possession of any subdivided building or land**

**57A.** (1) Upon taking formal possession of the whole or part of subdivided building or land under the Land Acquisition Act 1960 [*Act 486*], the Seventh Schedule shall apply in so far as they relate to the procedures for the modification of the relevant strata register, affairs of the management corporation and other purposes connected therewith.

(2) Other provisions of this Act which relate to the forms of document of strata title, the procedure for the preparation and registration of any document of strata title, shall be read with modifications, amendments, additions, deletions, substitutions or adaptations as provided in the Seventh Schedule.

(3) The Minister may, with the approval of the National Land Council, by order published in the *Gazette*, make any amendment to the Seventh Schedule.”.

### **Amendment of section 81**

- 28.** Subsection 81(1) of the principal Act is amended—

(a) by inserting after paragraph (a) the following paragraphs:

“(aa) the calculation of rates of rent payable in relation to any parcel or provisional block;

- (ab) the collection, remission, rebate, payment by installments, deferment of payment of rent, or any other incidental matters relating to rent of parcel or provisional block and forfeiture;”; and
- (b) by substituting for paragraph (c) the following paragraph:
  - “(c) the types of buildings, the circumstances in which buildings are, or any other factor relating to buildings, to be classified as special building;”.

### **Amendment of Fifth Schedule**

**29.** The Fifth Schedule to the principal Act is amended—

- (a) in the heading, by inserting under the words “[Section 4A]” the words “COMPUTERIZATION SYSTEM OF STRATA TITLES”;
- (b) in paragraph 1, by inserting after the definition of “computer printed register document of title” the following definition:
  - ‘ “existing document of strata register” means any strata register which includes the existing documents of strata register index, documents of strata register statements, copies of certified strata plans and every register document of strata title corresponding to each parcel and, if any, provisional blocks registered before or after the coming into operation of the Computerization System of Strata Titles in any Land Registry in accordance with section 4A;’; and
- (c) in subparagraph 5(6), by substituting for the words “existing document of title” the words “existing document of strata register”.

### **New Seventh Schedule**

**30.** The principal Act is amended by inserting after the Sixth Schedule the following schedule:



“SEVENTH SCHEDULE

[Section 57A]

EFFECT OF ACQUISITION OF SUBDIVIDED BUILDING OR LAND

**Interpretation**

1. In this Schedule, unless the context otherwise requires—

“former proprietor” means a person who, or a body which, immediately before taking of formal possession of the whole or part of subdivided building or land, is the proprietor of a parcel in the building or land or of a provisional block on the land on which the building is situated;

“the Code” means the National Land Code 1965 [Act 56/1965].

**Acquisition of the whole lot with subdivided building or land**

2. In the case where the whole lot with subdivided building or land is acquired under the Land Acquisition Act 1960—

(a) the management corporation shall liquidate any assets and distribute any profits to the former proprietors proportionately based on the share units or provisional share units which they held immediately before the taking of formal possession;

(b) the management corporation shall determine the reasonable period for the management corporation to continue in existence to settle its affairs;

(c) the management corporation shall continue in existence for so long as it is reasonably necessary to settle its affairs and shall then cease to exist;

(d) the management corporation shall inform the Registrar the date that the management corporation shall cease to exist; and

(e) the Registrar shall cancel the relevant book of the strata register.

**Acquisition of part of the lot with subdivided building or land**

3. In the case where part of the lot (including subdivided building or land) is acquired under the Land Acquisition Act 1960—

(a) the subsisting documents of strata title which relate to the parcel or provisional block not acquired shall be retained and continued to be in force;

- (b) the Registrar shall endorse the title in continuation of the lot and other relevant entries in the relevant strata register;
- (c) a new certified strata plan shall be prepared for the parcel or provisional block not acquired and shall be inserted in the relevant strata register; and
- (d) the Director shall approve the new proposed share units, if any, assigned to the parcel or provisional block not acquired, if equitable, and the Registrar shall endorse the new approved share units in the relevant strata register.

#### **Acquisition of common property**

**4.** In the case where part of the lot involved only common property is acquired under the Land Acquisition Act 1960 and ceased to be part of the lot—

- (a) the subsisting documents of strata title which relate to the parcel or provisional block not acquired, shall be retained and continued to be in force;
- (b) the Registrar shall endorse the title in continuation of the lot and other relevant entries in the relevant strata register; and
- (c) the Director of Survey shall endorse on existing certified strata plan—
  - (i) the title in continuation of the lot;
  - (ii) the new certified plan number of the lot; and
  - (iii) the new area of the lot;

and upon receiving the existing certified strata plan from the Director of Survey, the Registrar shall insert the plan in the relevant strata register.

#### **Acquisition of parcel or provisional block**

**5.** (1) In the case where parcel or provisional block is acquired under the Land Acquisition Act 1960—

- (a) the affected documents of strata title shall vest in the statutory authority, person or corporation on whose behalf the parcel or provisional block has been acquired; and
- (b) the Registrar shall endorse other relevant entries in the relevant strata register.

(2) In the case where part of a parcel is acquired under the Land Acquisition Act 1960, the provision of Part V of this Act shall be applicable with modifications.”.

## **Transitional**

**31.** Pending the coming into operation of Part IV<sub>A</sub>, when the proof of the payment of the contribution by the parcel proprietor to the management corporation or any other party authorized by the Land Administrator is provided to the Registrar, the proof shall be sufficient for the purpose of section 301<sub>A</sub> of the National Land Code (where dealing of parcel is concerned).

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Strata Titles Act 1985 (“Act 318”) which includes the insertion of a new Part IV<sub>A</sub> to enable the implementation of rent of parcel or provisional block and any matters connected therewith. This Bill also seeks to harmonize the provisions of Act 318 and with the provisions of the National Land Code as Act 318 is construed as part of the National Land Code. This Bill also seeks to introduce a new Part VIII<sub>A</sub> to facilitate the implementation of acquisition of subdivided building or land. Consequently this Bill seeks to streamline certain provisions of Act 318.

2. *Clause 1* contains the short title. This *clause* also empower the Minister to appoint a date of coming into operation of the proposed Act and to appoint different dates for the coming into operation of different provisions of the proposed Act.

3. *Clauses 2* and *clause 3* respectively seek to amend the long title and the preamble of Act 318 to provide for the implementation of collection of rent for parcel or provisional block.

4. *Clause 4* seeks to amend section 4 of Act 318 to introduce a new definition into Act 318 for the purpose of implementation of collection of rent as well as to amend the existing definitions of “land parcel” and “original proprietor”. This *clause* clarifies that the definition of “land parcel” means a building of not more than four storeys excluding shared basement and in the definition of “original proprietor” to mean the proprietor of the lot immediately before the subdivision of building or land.

5. *Clause 5* seeks to amend section 4<sub>A</sub> of Act 318 to enable the Minister to amend the Fifth Schedule by order.

6. *Clause 6* seeks to introduce a new section 4c into Act 318 to provide for the implementation of rent for parcel or provisional block. This *clause* also provides for relevant modifications, amendments, additions, deletions, substitutions or adaptations of any provisions of this Act pursuant to the implementation of rent of parcel or provisional block.

7. *Clause 7* seeks to amend section 8 of Act 318 to clarify that the definition of “building was complete”. This *clause* also seeks to enable the court to direct the original proprietor to comply with the provisions of Act 318 in relation to the application of subdivision of building or land in consequence of the enforcement made under this section.

8. *Clause 8* seeks to amend section 8A of Act 318 to enable the Director of Survey to exempt certification by the Professional Architect or Professional Engineer and certified copy of the certificate of completion and compliance or certificate of fitness for occupancy required in the application of certificate of proposed strata plan for special building or in any other circumstances where the Director of Survey is satisfied that there is a need to give the exemption.

9. *Clause 9* seeks to amend section 9 of Act 318 to streamline the terms used in Act 318. This *clause* also enables the Land Administrator to exempt certified copy of the certificate of completion and compliance or certificate of fitness for occupancy required in the application of subdivision of building or land for developments under paragraph 8(2)(a) of Act 318 or are classified as special building. This *clause* also provides for the exemption of the document in any other circumstances where the Land Administrator is satisfied that there is a need to give the exemption.

10. *Clause 10* seeks to streamline section 9A of Act 318 in consequent to the amendment of section 9.

11. *Clause 11* seeks to amend section 10 of Act 318 to include the subdivision of land in the conditions for approval involving a provisional block or blocks.

12. *Clause 12* seeks to amend section 17 of Act 318 in respect of the issuance of the certificate of establishment of management corporation by the Director of Lands and Mines and clarify that management corporation is established on the day when the book of strata register is opened.

13. *Clause 13* seeks to amend section 17A of Act 318 in respect of the requirement for the preparation of a special plan by a licensed land surveyor that shall be approved by comprehensive resolution and to clarify that the Director of Survey may determine administratively any other details relating to the application made under this section.

14. *Clause 14* seeks to introduce new section 17B into Act 318 to reinstate sections 42 and 47 (with relevant modifications) which have been deleted by Strata Titles (Amendment) Act 2013 [Act A1450] but currently is not provided under the Strata Management Act 2013 [Act 757] where ownership of common property is within the purview of Act 318.

15. *Clause 15* seeks to delete section 19A of Act 318 since the responsibility of the original proprietor to transfer the strata titles to purchasers is stipulated in Schedule H under the Housing Development Act (Control and Licensing) 1966 [Act 118].

16. *Clause 16* seeks to amend section 20A of Act 318 to enable the Director of Survey to exempt certification by the Professional Architect or Professional Engineer and certified copy of the certificate of completion and compliance or certificate of fitness for occupancy required in the application of certificate of proposed strata plan for special building or in any other circumstances where the Director of Survey is satisfied that the exemption is needed.

17. *Clause 17* seeks to amend section 20B of Act 318 as a certified copy of the schedule of parcels or amended schedule of parcels is not a requirement in the case of application under paragraphs 20(2)(b) and (c) of Act 318. This *clause* also enables the Land Administrator to exempt certified copy of the certificate of completion and compliance or certificate of fitness for occupancy required in the application of subdivision of building or land for developments under paragraph 20(2)(a) of Act 318 or are classified as special building. This *clause* also provides for the exemption of the document in any other circumstances where the Land Administrator is satisfied that there is a need to give the exemption.

18. *Clause 18* seeks to introduce new Parts IVA and IVB into Act 318.

(a) The new Part IVA will enable the parcel owners to pay the rent of their respective parcels and subsequently enable them to execute dealings (transfer, charge, lease or easement). This amendment makes the payment of rent of parcel or provisional block includes any fee or the fee payable to the State Authority annually imposed on a parcel or a provisional block as if it were rent or land revenue as defined under section 5 of the National Land Code. The new Part IVA will also provides for the determination of arrears of rent for the land where the building stands may be divided in proportion to the share units to each parcel or provisional block. The arrears of rent for land also may be recoverable by any other manner as prescribed by the State Authority. The rent in respect of the land where the building stands will cease to be operative upon the commencement of the rent of parcel or provisional block. In the event that the subdivided building is terminated in accordance with section 57 of Act 318, the rent in respect of the land will come into operation based on the recent revision.

(b) The new Part IVB provides for the procedures of forfeiture, reversion and vesting to the Statutory Authority as well as matters connected therewith pursuant to the failure of the parcel owner to pay the rent and for breach of condition. In respect of breach of condition which relates to parcel or provisional block, section 129 of the National Land Code is applicable prior to forfeiture and vesting under this Part. The parcel or provisional block will be vested to the Statutory Authority as nominated by the State Authority, discharged from

any interest subsisting or capable of arising immediately before the forfeiture, freed from any arrears liable to the previous owner as provided under the Strata Management Act 2013 and any item of land revenue due to the State Authority shall be extinguished. As such, the provisions of sections 130 to 134 of the National Land Code are not applicable.

19. *Clause 20* seeks to amend section 25 of Act 318 to clarify that in relation to the division and amalgamation of parcel, the express conditions of the affected parcel and the new parcel are not in contrary and must be the same with one another.

20. *Clause 21* seeks to amend section 33A of Act 318 to clarify the effect of registration in respect of common property created upon division or amalgamation of parcel or parcels for subdivided land.

21. *Clause 22* seeks to amend section 34 of Act 318 to clarify that in relation to parcel or provisional block, no application can be made by the proprietor to amend the express conditions endorsed on the documents of strata titles.

22. *Clause 23* seeks to amend section 35 of Act 318 to include subdivided land in the rights of support, service and shelter.

23. *Clause 25* seeks to amend section 56 of Act 318 to include powers of the court to make an order when a land is damaged.

24. *Clause 26* seeks to amend section 57 of Act 318 to enable for the termination of subdivision of land and to clarify that any order of a court for the termination of subdivision is only applicable if the circumstances fall under subsection (7) of Act 318. This *clause* also emphasizes that no termination of subdivision of building or land can be endorsed unless the Registrar is satisfied and there is no land revenue outstanding. The Registrar may request for relevant documents prior to the endorsement of the termination. In addition, this proposed amendment seeks to facilitate the affairs of management corporation after the termination of subdivision takes effect and to include subdivided land in the definitions under subsection (8) of Act 318.

25. *Clause 27* seeks to introduce new Part VIII A into Act 318 to provide for the procedures as stipulated in the new Seventh Schedule to Act 318 regarding the modifications of the relevant strata register upon taking formal possession of any subdivided building or land.

26. *Clause 28* seeks to amend section 81 of Act 318 to provide the powers to the State Authority to make rules in relation to the imposition of rent of parcel or provisional block (rate, remission, rebate, payment by instalments, deferment of payment of rent, or any other incidentals) and to classify special buildings in accordance to types, circumstances and any other factors.

27. *Clause 29* seeks to introduce a new definition into the Fifth Schedule as a consequent to the proposed amendment of subparagraph 5(6) of the Fifth Schedule.

28. *Clause 30* seeks to introduce a new Seventh Schedule into Act 318 which contains provisions relating to procedures in respect of modification of strata register in consequence of taking formal possession of subdivided building or land under the Land Acquisition Act 1960 [*Act 486*].

29. *Clause 31* contains transitional provision.

30. Other amendments not specifically dealt with in this Statement are minor or consequential in nature.

*FINANCIAL IMPLICATIONS*

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

[PN(U2)2994]