

A BILL

i n t i t u l e d

An Act to amend the Skills Development Fund Act 2004.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Skills Development Fund (Amendment) Act 2025.

(2) This Act 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 provisions of this Act.

Amendment of section 2

2. The Skills Development Fund Act 2004 [*Act 640*], which is referred to as the “principal Act” in this Act, is amended in section 2—

(a) by deleting the definition of “inspector”;

- (b) by inserting before the definition of “committee” the following definition:

‘ “skills training financial assistance” means any moneys or grants or any other forms of financial assistance approved and paid out by the Corporation to a trainee under this Act for the purpose of skills training or other training other than skills training loan;’;

- (c) by inserting after the definition of “Chief Executive” the following definition:

‘ “Director General of Skills Development” means the Director General of Skills Development appointed under the National Skills Development Act 2006 [Act 652];’;

- (d) by deleting the definition of “National Vocational Training Council”;

- (e) by inserting after the definition of “Minister” the following definition:

‘ “authorized officer” means any public officer or officer of the Corporation authorized under section 71B;’;

- (f) in the definition of “trainee”, by inserting after the words “skills training” the words “or other training”;

- (g) by inserting after the definition of “trainee” the following definition:

‘ “financial assistance recipient” means a trainee to whom has been approved, and who is in receipt of, a skills training financial assistance under this Act;’;

- (h) by substituting for the definition of “skills training provider” the following definition:

‘ “skills training provider” means an establishment, body or organization, whether established within or outside Malaysia, which provides skills training or other training either privately or through Government funding;’;

- (i) in the definition of “skills training loan”, by inserting after the words “a loan” the words “, in whatever form or by whatever name called,”; and

- (j) by substituting for the definition of “approved training programme” the following definition:

‘ “approved skills training programme” means a skills training programme or other training programme which is conducted in Malaysia and approved by the Corporation under section 44;’.

Amendment of section 3

3. Subsection 3(2) of the principal Act is amended—

- (a) in paragraph (e), by inserting after the word “repayment” the words “or return”; and

- (b) by inserting after paragraph (e) the following paragraph:

“(ea) such moneys as may be paid to the Corporation in respect of the return of any skills training financial assistance, given out of the Fund;”.

Amendment of section 4

4. Paragraph 4(b) of the principal Act is amended—

- (a) by substituting for the words “financial assistance” the words “skills training financial assistance”; and

- (b) by deleting the words “other than by way of skills training loan”.

Amendment of section 5

5. Subsection 5(4) of the principal Act is amended—

- (a) by inserting after the words “skills training loans” the words “and skills training financial assistance;”; and
- (b) by substituting for the words “government bonds and securities” the words “bonds and securities of the Government”.

Amendment of section 8

6. Section 8 of the principal Act is amended—

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

“(a) to identify and approve skills training programmes or other training programmes eligible for skills training loan or skills training financial assistance;”; and

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

“(b) to provide and grant skills training loans and skills training financial assistance to trainees, and to provide services in administering, monitoring and collecting repayments and returns of the skills training loans and skills training financial assistance;”.

Amendment of section 9

7. Paragraph 9(2)(c) of the principal Act is amended—

- (a) by inserting after the words “skills training loans” the words “and skills training financial assistance;”; and
- (b) by substituting for the words “approved training programme” the words “approved skills training programme”.

Amendment of section 10

8. Paragraph 10(2)(a) of the principal Act is amended—

(a) by substituting for subparagraph (ii) the following subparagraph:

“(ii) any licensed bank or licensed investment bank under the Financial Services Act 2013 [*Act 758*];”;

(b) by deleting the word “or” at the end of subparagraph (ii); and

(c) by inserting after subparagraph (ii) the following subparagraphs:

“(iia) any licensed Islamic bank under the Islamic Financial Services Act 2013 [*Act 759*];

(iib) any prescribed institution under the Development Financial Institutions Act 2002 [*Act 618*]; or”.

Amendment of section 11

9. Paragraph 11(b) of the principal Act is amended by substituting for the words “Companies Act 1965 [*Act 125*]” the words “Companies Act 2016 [*Act 777*]”.

Amendment of section 14

10. Section 14 of the principal Act is amended—

(a) in the shoulder note, by inserting after the words “**Provision of skills training loans**” the words “**and skills training financial assistance**”; and

(b) in subsection (1), by inserting after the words “for the purposes of skills training loans” the words “and skills training financial assistance”.

Amendment of section 16

11. Section 16 of the principal Act is amended—

(a) in subsection (1), by substituting for the words “The Board of the Corporation” the words “The Board of Directors”; and

(b) in subsection (2)—

(i) in paragraph (c), by substituting for the words “Director General of the National Vocational Training Council” the words “Director General of Skills Development”; and

(ii) by inserting after paragraph (e) the following paragraphs:

“(ea) a representative from the Ministry of Human Resources;

(eb) a representative from the Ministry of Economy;”.

Amendment of section 24

12. Paragraph 24(4)(b) of the principal Act is amended by deleting the words “of the Corporation”.

New section 25A

13. The principal Act is amended by inserting after section 25 the following section:

“Delegation of power and duties of Chief Executive

25A. (1) The Chief Executive may delegate in writing any of his powers or duties under this Act, except the power of delegation, subject to such conditions, limitations or restrictions as he thinks fit, to any officer of the Corporation.

(2) Any powers or duties delegated under this section shall be performed or exercised by the officer of the Corporation in the name and on behalf of the Chief Executive.

(3) A delegation made under this section shall not preclude the Chief Executive himself from performing or exercising any of the powers or duties so delegated.”.

Amendment of section 33

14. Section 33 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) No skills training provider may apply for a skills training loan or skills training financial assistance facility unless—

(a) it is registered under this Part; and

(b) it conducts an approved skills training programme.”; and

(b) by substituting for subsection (2) the following subsection:

“(2) A skills training provider shall not be registered under this Part unless the skills training provider conducts an approved skills training programme.”.

Amendment of section 35

15. Paragraph 35(a) of the principal Act is amended by substituting for the words “training programme” the words “skills training programme or other training programme”.

Amendment of section 36

16. Section 36 of the principal Act is amended—

(a) by substituting for subsection (2) the following subsection:

“(2) The certificate of registration shall specify the principal premises where the skills training or other training provided by the skills training provider is being carried on.”; and

(b) in subsection (5), by substituting for the words “provide skills training” the words “provide skills training or other training”.

Amendment of section 37

17. Subsection 37(1) of the principal Act is amended—

- (a) by deleting paragraph (a);
- (b) by substituting for paragraph (b) the following paragraph:

“(b) the skills training provider no longer conducts any approved skills training programme;”; and
- (c) in paragraph (c), by substituting for the words “section 34” the words “section 39”.

Amendment of section 38

18. Section 38 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**informed of the**” the words “**suspension or**”; and
- (b) by substituting for the words “the fact of the revocation” the words “the fact of the suspension or revocation”.

Amendment of Part VII

19. The principal Act is amended by substituting for the heading of Part VII the following heading:

“APPROVED SKILLS TRAINING PROGRAMME”.

Substitution of section 44

20. The principal Act is amended by substituting for section 44 the following section:

“Approved skills training programme

44. The Corporation may identify and approve any skills training programme or other training programme accredited or recognized under the National Skills Development Act 2006 as an approved skills training programme for the purposes of a skills training loan or skills training financial assistance facility under this Act.”

Amendment of section 45

21. Section 45 of the principal Act is amended—

- (a) in the shoulder note, by substituting for the words **“for approval of training programmes”** the words **“in relation to approved skills training programmes”**; and
- (b) in subsection (1), by substituting for the words “its training programmes” the words “its skills training programmes or other training programmes”.

Amendment of section 46

22. Section 46 of the principal Act is amended—

- (a) in the shoulder note, by substituting for the words **“approved training programmes”** the words **“approved skills training programmes”**;
- (b) by substituting subsection (1) the following subsection:

“(1) The Corporation may, at any time, revoke the approval of a skills training programme or other training programme under section 44 if the Corporation determines that the skills training programme or other training programme is no longer an appropriate programme for the purposes of a skills training loan or skills training financial assistance facility.”;
- (c) in subsection (2)—
 - (i) by inserting after the words “skills training programme” the words “or other training programme”; and
 - (ii) by substituting for the words “conducting the training programme” the words “conducting the skills training programme or other training programme”;

- (d) in subsection (3), by inserting after the words “skills training programme” the words “or other training programme”; and
- (e) in subsection (5), by inserting after the words “skills training programme” the words “or other training programme, as the case may be,”.

Amendment of Part VIII

23. The principal Act is amended in the heading of Part VIII by inserting after the words “SKILLS TRAINING LOAN” the words “AND SKILLS TRAINING FINANCIAL ASSISTANCE”.

Amendment of section 47

24. Section 47 of the principal Act is amended—

- (a) by substituting for the shoulder note the following shoulder note:

“Application for skills training loan or skills training financial assistance”;

- (b) by substituting for subsection (1) the following subsection:

“(1) A skills training provider registered under section 34 may submit applications for skills training loans or skills training financial assistance facilities to the Corporation for trainees undergoing skills training or other training conducted by the skills training provider in an approved skills training programme.”;

- (c) in subsection (2), by inserting after the words “skills training loan” the words “or skills training financial assistance”;

- (d) in subsection (5), by substituting for the words “application for a skills training loan” the words “application for a skills training loan or skills training financial assistance”; and
- (e) in subsection (8), by inserting after the words “skills training loan” the words “or skills training financial assistance”.

Amendment of section 48

25. Section 48 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**or skills training financial assistance**”; and
- (b) by substituting for paragraph (a) the following paragraph:
 - “(a) approve the application for skills training loan or skills training financial assistance made under section 47;”.

Amendment of section 49

26. Section 49 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**or skills training financial assistance**”;
- (b) by inserting after the words “skills training loan” the words “or skills training financial assistance”;
- (c) in paragraph (a), by inserting after the words “skills training loans” the words “or skills training financial assistance”;
- (d) in paragraph (b)—
 - (i) by substituting for the words “training programme” the words “skills training programme or other training programme”; and

- (ii) by substituting for the words “approved training programme” the words “approved skills training programme”;
- (e) by substituting for paragraph (e) the following paragraph:
 - “(e) that the approval of a skills training loan or skills training financial assistance in respect of the skills training programme or other training programme has been revoked under section 53;”;
 - and
- (f) in paragraph (f), by substituting for the words “training programme” the words “skills training programme or other training programme”.

Amendment of section 50

27. Section 50 of the principal Act is amended—

- (a) by substituting for the shoulder note the following shoulder note:
 - “Change of skills training provider or approved skills training programme”;**
- (b) by substituting for subsection (1) the following subsection:
 - “(1) The Chief Executive may approve any application for change of skills training provider or approved skills training programme to another skills training provider registered under section 34 or approved skills training programme by a trainee.”; and
- (c) in subsection (2), by substituting for the words “training provider or training programme” the words “skills training provider or approved skills training programme under subsection (1)”.

Amendment of section 51

28. Section 51 of the principal Act is amended—

(a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**or skills training financial assistance**”;

(b) in subsection (1)—

(i) by inserting after the words “The skills training loan” the words “or skills training financial assistance”; and

(ii) by substituting for the words “approved training programmes” the words “approved skills training programmes”; and

(c) by substituting for subsection (2) the following subsection:

“(2) For the purposes of subsection (1), the Corporation may—

(a) prescribe such means test as the Corporation deems necessary and expedient in order to determine and select trainees who are eligible for the skills training loan or skills training financial assistance; and

(b) require by written notice, the trainees or skills training provider, as the case may be, to provide additional documents and information within the period specified in such notice at any time after the application for skills training loan or skills training financial assistance has been approved but before the skills training loan or skills training financial assistance is disbursed.”.

Amendment of section 52

29. Section 52 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**Skills training loan**” the words “**and skills training financial assistance**”;
- (b) in subsection (1), by inserting after the words “skills training loan” the words “or skills training financial assistance”; and
- (c) in subsection (2), by substituting for the words “loan agreement” the words “skills training loan and skills training financial assistance agreement”.

Amendment of section 53

30. Section 53 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**or skills training financial assistance**”;
- (b) in subsection (1)—
 - (i) by substituting for the words “Any loan” the words “Any skills training loan or skills training financial assistance”;
 - (ii) in paragraph (a), by inserting after the words “skills training loan” the words “or skills training financial assistance”; and
 - (iii) by substituting for paragraph (e) the following paragraph:
 - “(e) the loan recipient or financial assistance recipient refuses or fails to follow the skills training programme or other training programme;”;
- (c) in subsection (2), by substituting for the words “a loan” the words “a skills training loan or skills training financial assistance”; and

(d) in subsection (3)—

- (i) by substituting for the words “revocation of a loan” the words “revocation of a skills training loan or skills training financial assistance”; and
- (ii) by substituting for the words “terms of the loan” the words “terms of the skills training loan or skills training financial assistance”.

Amendment of section 54

31. Section 54 of the principal Act is amended—

(a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**and skills training financial assistance**”;

(b) by substituting for subsection (1) the following subsection:

“(1) The Corporation shall cause to be maintained a record of all skills training loans and skills training financial assistance paid out of the Fund, and their repayments and returns.”; and

(c) in subsection (2)—

(i) in paragraph (a), by inserting after the words “loan recipient” the words “and financial assistance recipient”;

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

“(ba) the amount of the skills training loan and skills training financial assistance which need to be returned and the records of the returns;”; and

- (iii) by substituting for paragraph (c) the following paragraph:

“(c) the name of the skills training provider where the loan recipient or financial assistance recipient is receiving his skills training or other training, the approved skills training programme under which the loan recipient or financial assistance recipient is receiving his skills training or other training, the duration of such skills training or other training, and the tentative date of completion of such skills training or other training; and”.

Amendment of section 56

32. Section 56 of the principal Act is amended—

- (a) in the shoulder note, by inserting after the words “**skills training loan**” the words “**or skills training financial assistance**”;
- (b) by inserting after the words “Any loan recipient” the words “or financial assistance recipient”;
- (c) by inserting after the words “skills training loan” the words “or skills training financial assistance”;
- (d) by substituting for paragraph (d) the following paragraph:
- “(d) if skills training or other training was not completed by the loan recipient or financial assistance recipient in accordance with the approved skills training programme; or”; and
- (e) by substituting for paragraph (e) the following paragraph:
- “(e) if skills training or other training was not attended by the loan recipient or financial assistance recipient.”.

New sections 65A and 65B

33. The principal Act is amended by inserting after section 65 the following sections:

“Limitation for action in respect of skills training loan or skills training financial assistance agreement

65A. Notwithstanding the provisions of any other written law, any action in respect of a skills training loan or skills training financial assistance agreement shall not be brought after the expiration of twelve years from the date on which the cause of action accrued.

Power of Chief Executive to issue certificate to the Director General of Immigration

65B. (1) The Chief Executive may, where he is of the opinion that any loan recipient or financial assistance recipient is about or likely to leave Malaysia without paying any moneys due to the Corporation, whether in the form of repayment or return or otherwise, issue to the Director General of Immigration a certificate containing the amount payable to the Corporation with a request for that loan recipient or financial assistance recipient to be prevented from leaving Malaysia unless and until he pays all the amounts payable to the Corporation or furnishes security to the satisfaction of the Chief Executive for his payment.

(2) Subject to any order issued or made under any written law relating to immigration, the Director General of Immigration upon receiving a request under subsection (1) in respect of any loan recipient or financial assistance recipient shall take or cause to be taken all such measures as may be necessary to give effect to it and which measures may include the use of reasonable force and the seizure, removal or retention of any certificate of identity and any passport, or other travel document relating to that loan recipient or financial assistance recipient.

(3) Where a loan recipient or financial assistance recipient in respect of whom a certificate has been issued under subsection (1) produces a written statement signed on or after the date of the issuance of the certificate by the Chief Executive to the effect that moneys due to the Corporation specified in the certificate have been paid or that security has been furnished for their payment, the statement or the payment, as the case may be, shall be sufficient authority for allowing that loan recipient or financial assistance recipient to leave Malaysia.”.

Deletion of Part X

34. The principal Act is amended by deleting Part X.

New Parts XA and XB

35. The principal Act is amended by inserting after section 71 as deleted the following parts:

“PART XA

INSPECTION OF SKILLS TRAINING PROVIDER

Power to inspect skills training provider

71A. (1) An authorized officer may, from time to time, inspect any skills training provider registered under this Act for the purpose of determining that this Act and the regulations made under this Act have been and are being complied with.

(2) For the purposes of inspection under this Part, an authorized officer may—

- (a) enter, at any time, any premises or any part of the premises which belongs to or are being used, whether permanently or otherwise, by a skills training provider for the purpose of providing skills training or other training;
- (b) examine such book, minute book, register, document, financial statement, computerized data, material or other article as he may consider necessary;

- (c) require any person, who is a member of the board of directors, an employee, or a trainee of such skills training provider, to produce for his inspection any book, minute book, register, document, financial statement, computerized data, material or other article which is in that person's possession or custody or under his control or within his power to furnish—
 - (i) relating to the management of the skills training provider; or
 - (ii) relating to the skills training programme or other training programme carried on by the skills training provider; and
- (d) to make copies or take extracts from any book, minute book, register, document, financial statement, computerized data, material or other article inspected under paragraph (c).

PART XB

ENFORCEMENT AND INVESTIGATION

Authorized officer

71B. For the purposes of this Act, the Corporation may, in writing, authorize any public officer or officer of the Corporation to exercise the powers of inspection and the powers of enforcement and investigation under this Act.

Powers of authorized officer

71c. An authorized officer shall have all the powers necessary to carry out inspection under Part XA and conduct investigation into any offence under this Act.

Powers of examination

71d. (1) An authorized officer may, by notice in writing, require any person acquainted with the facts and circumstance of a case to appear before him and to be examined orally and shall reduce into writing any statement made by the person so examined.

(2) Any statement made by any person under this section shall be admissible as evidence in any proceedings in court under this Act against the person or against any other person.

Production of documents, *etc.*

71E. In the course of an investigation or examination under this Part, the authorized officer may—

- (a) require any such person to produce to him such book, minute book, register, document, financial statement, computerized data, material or other article; and
- (b) inspect, make copies of, take extracts from, remove and detain any book, minute book, register, document, financial statement, computerized data, material or other article.

Seizure of documents, *etc.*

71F. Where an authorized officer carrying out an inspection or investigation under this Act has reason to believe that an offence has been committed against this Act, he may seize any book, minute book, register, document, financial statement, computerized data, material or other article produced under section 71E and such book, minute book, register, document, financial statement, computerized data, material or other article seized, shall be admissible in evidence in any proceedings in court under this Act against the person or against any other person.

Application for search warrant

71G. If an authorized officer has reasonable cause to believe that any premises have been used, is used or are about to be used for, or there is in any premises, evidence necessary to establish the commission of an offence under this Act, he may apply to a Magistrate by way of written information on oath for a search warrant.

Power of Magistrate to issue search warrant

71H. If the Magistrate is satisfied that there is a commission of an offence under any provision of this Act, he may issue a search warrant authorizing the authorized officer, at any reasonable time by day or by night and with or without assistance—

- (a) to enter the premises, if need be by force;
- (b) to search for and seize, and to remove any book, minute book, register, document, financial statement, computerized data, material or other article—
 - (i) in respect of which an offence has been committed;
 - (ii) in respect of which an offence is suspected to have been committed; or
 - (iii) that is reasonably believed to furnish evidence of the commission of the offence;
- (c) 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 thereinto;
- (d) remove by force any obstruction to the entry, search, seizure or removal as he is empowered to effect; or
- (e) detain every person found in the premises until it has been searched.

Production of authority card

71I. (1) An authorized officer when exercising any powers under this Act shall declare his office and produce to the person against whom he is acting or from whom he seeks any information, such authority card as the Corporation may direct to be carried by such officer.

(2) The authority card specified in subsection (1) shall be issued by the Chief Executive.

No entitlement as to costs on proceedings, damages or other relief, *etc.*

71j. No person shall, in any proceedings before any court in respect of the seizure of anything seized or detained in the exercise or the purported exercise of any power conferred under this Act, be entitled to the costs of such proceedings or any damages or other relief, other than the order for the return of such things seized or detained, or the payment of its value unless such seizure or detention was made without reasonable or probable cause.”.

Amendment of section 72

36. Subsection 72(1) of the principal Act is amended by substituting for the words “loan facilities” the words “skills training loan or skills training financial assistance facilities”.

Amendment of section 74

37. Section 74 of the principal Act is amended—

- (a) by renumbering the existing section as subsection (1);
- (b) in subsection (1) as renumbered, by inserting after the words “skills training loan” the words “or skills training financial assistance”; and
- (c) by inserting after subsection (1) as renumbered the following subsection:

“(2) Any person who, in respect of whom a skills training loan or skills training financial assistance has been approved but before such skills training loan or skills training financial assistance is disbursed, makes any statement which he knows to be false, or he does not believe to be true, or intentionally suppresses any material fact, or furnishes any information which is misleading in any material particular, with the intention that the skills training loan or skills training financial assistance be disbursed to him, 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 one year or to both.”.

Amendment of section 75

38. Paragraph 75(b) of the principal Act is amended by substituting for the words “provide skills training” the words “provide an approved skills training programme”.

Amendment of section 76

39. Section 76 of the principal Act is amended—

(a) in paragraph (a)—

(i) by inserting after the words “financial statement,” the words “computerized data,”; and

(ii) by substituting for the words “by the inspector under section 68” the words “by the authorized officer under Part XA or Part XB”; and

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

“(b) who obstructs or hinders an authorized officer from performing functions of inspection, enforcement or investigation under this Act,”.

New section 88A

40. The principal Act is amended by inserting after section 88 the following section:

“Conduct of civil proceedings

88A. Notwithstanding the provisions of any written law, in any civil proceedings by or against the Corporation—

(a) any officer of the Corporation authorized in that behalf by the Chairman; or

(b) any advocate and solicitor appointed by the Corporation,

may on behalf of the Corporation, institute, appear in and conduct such proceedings and may make and do all appearances, acts and applications in respect of such proceedings.”.

New section 91A

41. The principal Act is amended by inserting after section 91 the following section:

“Electronic submission of documents

91A. (1) Subject to subsection (2), the Corporation may allow any returns, statements, particulars, records, notice, reports, register or other documents required to be submitted or furnished under this Act or regulations made under this Act to be submitted or furnished by an electronic medium or by way of an electronic transmission.

(2) The conditions and specifications under which the returns, statements, particulars, records, notice, reports, register or other documents referred to in subsection (1) are to be submitted or furnished shall be as determined by the Corporation.

(3) The returns, statements, particulars, records, notice, reports, register or other documents referred to in subsection (1) shall be deemed to have been submitted or furnished by a person to the Corporation on the date the acknowledgment of receipt of such documents is transmitted electronically by the Corporation to the person.

(4) The acknowledgment of receipt by the Corporation, returns, statements, particulars, records, notice, reports, register or other documents submitted or furnished pursuant to subsection (3) shall be admissible as evidence in any proceedings.”.

Amendment of section 92

42. Paragraph 92(2)(a) of the principal Act is amended by inserting after the words “skills training loans” the words “or skills training financial assistance”.

Amendment of Schedule

43. Subparagraph 3(2) of the Schedule to the principal Act is amended by substituting for the word “five” the word “seven”.

Saving

44. (1) Any public officer or officer of the Corporation, who, immediately before the date of coming into operation of this Act, was appointed as an inspector under the principal Act shall, on the date of coming into operation of this Act, be deemed to have been duly authorized as an authorized officer and shall continue to exercise the powers and perform the functions conferred on an authorized officer under the principal Act as amended by this Act until his appointment is revoked or ceases to have effect.

(2) Any act, direction or decision done, given or made, or any powers or functions exercised or performed, by an inspector under the principal Act before the date of coming into operation of this Act shall, in so far as it is consistent with the provisions of the principal Act as amended by this Act, be deemed to have been lawfully done, given or made, or exercised or performed, by an authorized officer.

EXPLANATORY STATEMENT

This Bill seeks to amend the Skills Development Fund Act 2004 (“Act 640”) to broaden the functions of the Perbadanan Tabung Pembangunan Kemahiran (“Corporation”) in respect of the granting of skills training financial assistance, in addition to skills training loans, to eligible trainees undergoing approved skills training programmes, and to expand the scope of approval of skills training programmes for the purpose of granting skills training loan or skills training financial assistance under Act 640 to include other training programmes recognized under the National Skills Development Act 2006 [Act 652]. This Bill also aims to expressly provide for enforcement mechanisms under Act 640.

2. *Clause 1* contains the short title and commencement of the proposed Act and empowers the Minister to appoint different dates for the coming into operation of different provisions of the proposed Act.

3. *Clause 2* seeks to amend section 2 of Act 640 to introduce new definitions into Act 640 and to amend existing definitions used in Act 640. One of the definitions introduced is the definition of “skills training financial assistance” which means any moneys or grants or other forms of financial assistance approved and paid out by the Corporation to a trainee under Act 640 for the purpose of skills training or other training other than skills training loan. Besides that, the definition of “approved training programme” is substituted with the definition of “approved skills training programme” and is expanded to include not just skills training programmes, but also other training programmes as approved by the Corporation.

4. *Clause 3* seeks to amend subsection 3(2) of Act 640 to provide that the Skills Development Funds (“Fund”) shall also consist of such moneys as may be paid to the Corporation in respect of the return of any skills training loan and skills training financial assistance.

5. *Clause 4* seeks to amend paragraph 4(b) of Act 640 to provide that the Fund may be expended for the purpose of granting skills training financial assistance apart from skills training loan.

6. *Clause 5* seeks to amend subsection 5(4) of Act 640 to expand the scope of use of the Reserve Fund established by the Corporation within the Fund by providing that the Reserve Fund shall also be used for the purpose of advancing skills training financial assistance other than for the purpose of advancing skills training loan and for investment in bonds and securities of the Government.

7. *Clause 6* seeks to amend section 8 of Act 640 to provide for the function of the Corporation to identify and approve skills training programmes or other training programmes that are eligible for skills training loan or skills training financial assistance. Besides that, amendment is also made to provide for the functions of the Corporation in administering, monitoring and collecting repayments and returns of the skills training loans and skills training financial assistance.

8. *Clause 7* seeks to amend section 9 of Act 640 to empower the Corporation to engage in any activity for the purpose of co-ordinating, streamlining or rationalizing the giving and administration of skills training financial assistance to trainees in an approved skills training programme.

9. *Clause 8* seeks to amend paragraph 10(2)(a) of Act 640 to empower the Corporation to invest the moneys of the Fund by way of deposit in a licensed bank or licensed investment bank under the Financial Services Act 2013 [Act 758], a licensed Islamic bank under the Islamic Financial Services Act 2013 [Act 759] or a prescribed institution under the Development Financial Institutions Act 2002 [Act 618]. This is to replace the reference to banks and financial institutions licensed under the Banking and Financial Institutions Act 1989 [Act 372] which has been repealed.

10. *Clause 10* seeks to amend section 14 of Act 640 to provide that the Corporation shall provide in its annual estimates such sum of money as may be agreed by the Minister for the purposes of skills training financial assistance under Act 640.

11. *Clause 11* seeks to amend section 16 of Act 640 in relation to the membership of the Board of Directors of the Corporation. With the amendment, the Director General of the National Vocational Training Council is replaced by the Director General of Skills Development as a member of the Board. This amendment reflects the transfer of functions from the National Vocational Training Council to the Department of Skills Development. Additionally, this amendment seeks to expand the membership of the Board by including two additional representatives, one each from the Ministry of Human Resources and the Ministry of Economy.

12. *Clause 13* seeks to introduce a new section 25A into Act 640 to empower the Chief Executive to delegate in writing any of his powers or duties under Act 640, except the power of delegation, subject to such conditions, limitations or restrictions as he thinks fit, to any officer of the Corporation. Any powers or duties delegated under this section shall be performed or exercised by the officer of the Corporation in the name and on behalf of the Chief Executive. The delegation made under this new section also shall not preclude the Chief Executive himself from performing or exercising any of the powers or duties so delegated.

13. *Clause 14* seeks to amend section 33 of Act 640 to provide that no skills training provider may apply for a skills training financial assistance facility unless it is registered under Part VI of Act 640 and that the skills training provider shall not be registered unless it conducts an approved skills training programme.

14. *Clause 15* seeks to amend paragraph 35(a) of Act 640 to provide that the application for registration by any person under section 33 of Act 640 may be refused on the ground that the applicant does not conduct a skills training programme or other training programme which is approved by the Corporation.

15. *Clause 17* seeks to amend subsection 37(1) of Act 640 in relation to the power of the Corporation to suspend or revoke the registration of a skills training provider by deleting the reference to accreditation by the National Vocational Training Council consequential to the transfer of functions of the National Vocational Training Council to the Department of Skills Development in accrediting a skills training programme.

16. *Clause 18* seeks to amend section 38 of Act 640 to provide that the Chief Executive shall cause the fact of the suspension of registration of any skills training provider to be published for the information of the general public apart from the revocation of registration of a skills training provider.

17. *Clause 20* seeks to substitute section 44 of Act 640 to provide that the Corporation may identify and approve any skills training programme or other training programme accredited or recognized under the National Skills Development Act 2006 as an approved skills training programme for the purposes of skills training loan or skills training financial assistance facility under Act 640.

18. *Clause 21* seeks to amend section 45 of Act 640 consequential to the expansion of the scope of approved skills training programmes under Act 640.

19. *Clause 22* seeks to amend section 46 of Act 640 consequential to the expansion of the scope of approved skills training programmes and to provide that the Corporation may revoke the approval of a skills training programme or other training programme under section 44 of Act 640 if the Corporation determines that the skills training programme or other training programme is no longer an appropriate programme for the purposes of a skills training loan or skills training financial assistance facility.

20. *Clause 24* seeks to amend section 47 of Act 640 to provide for the procedure for the application of skills training financial assistance apart from skills training loan.

21. *Clause 25* seeks to amend section 48 of Act 640 to provide for the power of the Chief Executive of the Corporation to grant or refuse the application of skills training financial assistance apart from skills training loan.

22. *Clause 26* seeks to amend section 49 of Act 640 to provide for the grounds of refusal of application for skills training financial assistance apart from skills training loan.

23. *Clause 27* seeks to amend section 50 of Act 640 to clarify that a trainee may apply for a change of skills training provider or approved skills training programme but such change may only be made to another registered skills training provider or approved skills training programme.

24. *Clause 28* seeks to amend section 51 of Act 640 to provide for the disbursement of skills training financial assistance to eligible trainees apart from the disbursement of skills training loan. This amendment also seeks to provide for additional power of the Corporation to require the trainee or skills training provider, as the case may be, by written notice, to provide additional documents and information within a specified period in such notice at any time after the application for skills training loan or skills training financial assistance has been approved but before the skills training loan or skills training financial assistance is disbursed.

25. *Clause 29* seeks to amend section 52 of Act 640 to provide for matters relating to skills training financial assistance agreement apart from skills training loan agreement.

26. *Clause 30* seeks to amend section 53 of Act 640 to provide for circumstances in which skills training financial assistance, apart from skills training loan, may be revoked.

27. *Clause 31* seeks to amend section 54 of Act 640 to provide for the duty of the Corporation to cause to be maintained records relating to skills training financial training apart from records on skills training loan.

28. *Clause 32* seeks to amend section 56 of Act 640 to provide for the circumstances in respect of which skills training financial assistance shall be returned by the financial assistance recipient apart from the return of the skills training loan by the loan recipient.

29. *Clause 33* seeks to introduce new sections 65A and 65B into Act 640. The new section 65A provides for the limitation for action that can be brought in respect of skills training loan or skills training financial assistance agreement, whereas the new section 65B provides for the power of the Chief Executive to issue certificate to the Director General of Immigration if the Chief Executive is of the opinion that any loan recipient or financial assistance recipient is about or likely to leave Malaysia without paying any moneys due to the Corporation.

30. *Clause 34* seeks to delete Part X of Act 640 relating to the power of inspection of skills training providers as the provision on such power will be placed in the new Part XA.

31. *Clause 35* seeks to introduce new Parts XA and XB into Act 640. The new Part XA provides for the power of inspection of skills training providers which will be carried out by an authorized officer in place of an inspector. The new Part XB provides for the power of enforcement and investigation into the commission of any offence under Act 640 which will be carried out by an authorized officer.

32. *Clause 36* seeks to amend subsection 72(1) of Act 640 in relation to the prohibition on advertisement under Act 640 by making reference to skills training providers whose trainees' skills training financial assistance facilities are available under Act 640.

33. *Clause 37* seeks to amend section 74 of Act 640 to provide that any person who, in respect of whom a skills training loan or skills training financial assistance has been approved but before such skills training loan or skills training financial assistance is disbursed, makes any statement which he knows to be false, or he does not believe to be true, or intentionally suppresses any material fact, or furnishes any information which is misleading in any material particular, with the intention that the skills training loan or skills training financial assistance be disbursed to him, commits an offence under Act 640.

34. *Clause 39* seeks to amend section 76 of Act 640 consequential to the deletion of Part X and insertion of the new Parts XA and XB on the power of inspection, enforcement and investigation which will be carried out by an authorized officer.

35. *Clause 40* seeks to introduce a new section 88A into Act 640 to provide that in any civil proceedings by or against the Corporation, any officer of the Corporation authorized in that behalf by the Chairman or any advocate and solicitor appointed by the Corporation, may on behalf of the Corporation, institute, appear in and conduct such proceedings and may make and do all appearances, acts and applications in respect of such proceedings.

36. *Clause 41* seeks to introduce new section 91A into Act 640 to allow any returns, statements, particulars, records, notice, reports, register or other documents required to be submitted or furnished under Act 640 or regulations made under the Act to be submitted or furnished by electronic medium or by way of an electronic transmission.

37. *Clause 42* seeks to amend paragraph 92(2)(a) of Act 640 to empower the Corporation to make regulations for prescribing the criteria to be used in the granting of skills training financial assistance apart from the granting of skills training loans.

38. *Clause 43* seeks to amend subparagraph 3(2) of the Schedule to Act 640 to increase the quorum of the Board from five persons to seven persons.

39. *Clause 44* deals with saving provision.

40. Other amendments, including the amendments made in *clauses 9, 12, 16, 19, 23 and 38*, not specifically dealt with in this Explanatory 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)3411]