

A BILL

*i n t i t u l e d*

An Act to amend the Sports Development Act 1997.

[ ]

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

**Short title and commencement**

1. (1) This Act may be cited as the Sports Development (Amendment) Act 2018.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

**Amendment of section 2**

2. The Sports Development Act 1997 [*Act 576*], which is referred to as the “principal Act” in this Act, is amended in section 2—

(a) in the definition of “sports body”, by substituting for the words “, society or company” the words “or society”;

(b) by inserting after the definition of “sports body” the following definition:

‘ “Sports Dispute Committee” means the Sports Dispute Committee established under Part VI;’;

(c) by deleting the definition of “Sports Advisory Panel”; and

(d) in the definition of “company”, by substituting for the words “Companies Act 1965 [*Act 125*]” the words “Companies Act 2016 [*Act 777*]”.

### **New Part IIIA**

3. The principal Act is amended by inserting after Part III the following Part:

#### **“PART IIIA**

##### **PARALYMPIC COUNCIL OF MALAYSIA AND MALAYSIA DEAF SPORTS ASSOCIATION**

#### **Paralympic Council of Malaysia**

**9A.** (1) The Paralympic Council of Malaysia is recognized by the International Paralympic Committee as the National Paralympic Committee for Malaysia.

(2) The Paralympic Council of Malaysia shall be responsible for ensuring that the participation of Malaysia in the Paralympic Games, Asian Paralympic Games and other international athletics competitions is in accordance with the rules and regulations of the International Paralympic Committee, Asian Paralympic Committee and other international sports bodies to which the Paralympic Council of Malaysia is affiliated.

#### **Malaysia Deaf Sports Association**

**9B.** (1) The Malaysia Deaf Sports Association is recognized by the International Committee of Sports for the Deaf as the National Deaf Sports Federation for Malaysia.

(2) The Malaysia Deaf Sports Association shall be responsible for ensuring that the participation of Malaysia in the Deaflympics, Asia Pacific Deaf Games and other international athletics competitions is in accordance with the rules and regulations of the International Committee of Sports for the Deaf, Asia Pacific Deaf Sports Confederation and other international sports bodies to which the Malaysia Deaf Sports Association is affiliated.”.

**Amendment of section 11**

4. Subparagraph 11(1)(a)(i) of the principal Act is amended by substituting for the words “, society or company” the words “or society”.

**Amendment of section 12**

5. Subsection 12(2) of the principal Act is amended by substituting for the words “not exceeding five thousand ringgit” the words “of not less than five thousand ringgit but not more than fifty thousand ringgit”.

**Amendment of section 20**

6. Section 20 of the principal Act is amended—

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

“(1) The Commissioner shall revoke the registration of a sports body if the Commissioner is satisfied that the sports body—

(a) is registered as a result of a fraud or a mistake or misrepresentation in any material particular;  
or

(b) is inactive or is no longer a fit and proper entity to be registered to represent its sports in any State or in Malaysia.”; and

(b) by inserting after subsection (1) the following subsection:

“(1A) The Commissioner may suspend the registration of a sports body if the Commissioner is satisfied that the sports body—

- (a) fails to comply with any of the conditions imposed by the Commissioner under section 18;
- (b) contravenes any regulations made under this Act;
- (c) fails or neglects to remedy any malpractice, misconduct or irregularity on the part of its office bearer or its members within the period specified in the written notice given by the Commissioner;
- (d) is uncooperative or obstructive in the implementation of the regulations, policies or guidelines made under or pursuant to the powers under this Act; or
- (e) fails or neglects to carry out any activity and affair of its sports body in accordance with its constitution.”.

#### **Amendment of section 21**

7. Section 21 of the principal Act is amended by deleting subsection (2).

**Substitution of section 24**

8. The principal Act is amended by substituting for section 24 the following section:

**“Referral of dispute to Sports Dispute Committee**

24. Where a dispute cannot be resolved in accordance with the internal procedures referred to in section 23, any member of a sports body or a sports body itself may refer the dispute to the Sports Dispute Committee for decision.”.

**New section 24A**

9. The principal Act is amended by inserting after section 24 the following section:

**“Appeal against decision of Sports Dispute Committee**

24A. (1) Any member of a sports body or a sports body who is aggrieved by the decision of the Sports Dispute Committee may, within twenty-one days after the decision has been communicated to the member of the sports body or the sports body, appeal to the Minister.

(2) The Minister may confirm, reverse or vary the decision of the Sports Dispute Committee.

(3) The decision of the Minister under subsection (2) shall be final.”.

**Amendment of section 25**

10. Subsection 25(2) of the principal Act is amended by substituting for the words “not exceeding five thousand ringgit” the words “of not less than five thousand ringgit but not more than fifty thousand ringgit”.

**Substitution of Part VI**

11. The principal Act is amended by substituting for Part VI the following Part:

**“PART VI****SPORTS DISPUTE COMMITTEE****Establishment of Sports Dispute Committee**

27. (1) There shall be established a committee to be known as the “Sports Dispute Committee” which shall have the responsibility to hear and resolve disputes referred to it by any member of a sports body or a sports body itself under section 24.

(2) The Sports Dispute Committee shall ensure that sports bodies and other parties to a sports dispute including athletes be given an affordable, just and speedy means of resolving a sports dispute.

**Appointment of members of Sports Dispute Committee**

28. (1) The Sports Dispute Committee shall consist of the following members to be appointed by the Minister:

(a) a Chairman;

(b) two members who, in the opinion of the Minister, have experience, qualifications or have shown capacity and professionalism in matters relating to sports, or to be otherwise suitable for appointment because of their special knowledge and skills; and

(c) two members as the Minister deems fit.

(2) The Chairman and members of the Sports Dispute Committee shall hold office for a period not exceeding two years and shall be eligible for reappointment.

(3) The members of the Sports Dispute Committee shall be paid such remuneration and allowances as the Minister may determine after consultation with the Minister of Finance.

(4) The office of a member of the Sports Dispute Committee appointed under subsection (1) shall be vacated—

- (a) if he dies;
- (b) if there has been proved against him, or he has been convicted on, a charge in respect of—
  - (i) an offence involving fraud, dishonesty or moral turpitude;
  - (ii) an offence under any law relating to corruption; or
  - (iii) any other offence punishable with imprisonment for more than two years;
- (c) if he is of unsound mind or is otherwise incapable of discharging his duties;
- (d) if he absents himself from three consecutive sittings of the Sports Dispute Committee without leave of the Chairman or in the case of the Chairman, without leave of the Minister;
- (e) if his resignation is accepted by the Minister; or
- (f) if his appointment is revoked by the Minister.

(5) Where a member appointed under subsection (1) ceases to be a member of the Sports Dispute Committee, the Minister may appoint another person to fill the vacancy and any person so appointed shall hold office for the remaining period.

(6) The Chairman or any member of the Sports Dispute Committee may at any time resign from his office by giving notice in writing to the Minister.

(7) At any proceedings of the Sports Dispute Committee the quorum shall comprise not less than three members, including the Chairman, and in the absence of the Chairman, any member present at the proceedings may be elected as Chairman by the other members present.

### **Secretary to Sports Dispute Committee and other officers**

**29.** (1) The Minister shall appoint the Commissioner to be the Secretary to the Sports Dispute Committee.

(2) The Minister may designate such number of public officer as the Minister thinks fit to assist the Secretary.

(3) For the purpose of this Act, the Secretary and the officers designated under subsection (2) shall be deemed to be officers of the Sports Dispute Committee.

### **Power of Sports Dispute Committee to require disclosure of information**

**30.** (1) The Sports Dispute Committee may direct any person to disclose to the Sports Dispute Committee any information and produce any report and document within his knowledge or in his possession as may be deemed necessary for the purpose of exercising any of its power and functions under this Act and may further direct the attendance before the Sports Dispute Committee of any person whom the Sports Dispute Committee considers necessary to enable it to carry out its duties and functions under this Act.

(2) Any person who—

(a) fails to comply with the direction of the Sports Dispute Committee under subsection (1);

(b) discloses any information to the Sports Dispute Committee which is known to him to be false; or

(c) produces report or document to the Sports Dispute Committee which is known to him to be false,



shall be guilty of an offence and shall on conviction be liable to a fine of not less than five thousand ringgit but not more than fifty thousand ringgit or to imprisonment for a term not exceeding five years or to both.

### **Protection against suits and legal proceedings**

**31.** No action, suit, prosecution or any other proceeding shall lie or be brought, instituted or maintained in any court against the members and officers of the Sports Dispute Committee in respect of any act, neglect or default done or omitted to be done or made by the members and officers of the Sports Dispute Committee if such act, neglect or default was done or was omitted to be done or made, in good faith.

### **Regulations in respect of Sports Dispute Committee**

**32.** The Minister may make regulations as may be necessary in respect of the Sports Dispute Committee and in particular and without prejudice to the generality of the foregoing, the Minister may make regulations in respect of the following:

- (a) prescribing the procedures to be adopted by the Sports Dispute Committee in dealing with any dispute referred to it under section 24; and
- (b) generally for the better carrying out of the functions of the Sports Dispute Committee under this Act.”.

### **Amendment of section 33**

**12.** Section 33 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 word “bid” the words “or offer”; and

(c) by inserting after subsection (1) as renumbered the following subsection:

“(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine of not less than fifty thousand ringgit but not more than five hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.”.

### **Amendment of section 36**

13. Section 36 of the principal Act is amended by inserting after subsection (3) the following subsections:

“(4) Any company which contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine of not less than fifty thousand ringgit but not more than five hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

(5) Where an offence under this section has been committed by a company, any person who at the time of the commission of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the company or was purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the company or was assisting in such management—

(a) may be charged severally or jointly in the same proceedings with the company; and

(b) where the company is found guilty of the offence, shall be deemed to be guilty of that offence unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves—

(i) that the offence was committed without his knowledge, consent or connivance; and

(ii) that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.”.

**Amendment of section 38**

14. Subsection 38(3) of the principal Act is amended by substituting for the words “not exceeding five thousand ringgit or a term of imprisonment not exceeding six months” the words “of not less than five thousand ringgit but not more than fifty thousand ringgit or a term of imprisonment not exceeding five years”.

**Deletion of section 39**

15. The principal Act is amended by deleting section 39.

**Savings and transitional provision**

16. (1) Any registration of a company registered as a sports body under the principal Act before the date of coming into operation of this Act, shall be deemed to be revoked on the date of coming into operation of this Act and shall cease to be dealt with under the provisions of the principal Act as amended by this Act.

(2) Any action commenced or pending before the date of coming into operation of this Act shall, after the date of coming into operation of this Act, be continued as if the principal Act had not been amended by this Act.

(3) Any obligation or liability accrued or incurred under the principal Act, may be continued, enforced, imposed and be dealt with, as the case may be, as if the principal Act had not been amended by this Act.

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EXPLANATORY STATEMENT

This Bill seeks to amend the Sports Development Act 1997 (“Act 576”).

2. *Clause 1* contains the short title and provision on the commencement of the proposed Act.

3. *Clause 2* seeks to amend section 2 of Act 576 by introducing a new definition of “Sports Dispute Committee” into Act 576 and to amend certain existing definitions.

4. *Clause 3* seeks to introduce new Parts IIIA into Act 576 to make provision relating to sports bodies namely Paralympic Council of Malaysia and Malaysia Deaf Sports Association which are recognized by the International Paralympic Committee and International Committee of Sports for the Deaf respectively.

The proposed new Part IIIA seeks to make provision that the Paralympic Council of Malaysia is responsible for ensuring participation of Malaysia in the Paralympic Games, Asian Paralympic Games and other international athletics competitions.

The proposed new Part IIIA also seeks to make provision that the Malaysia Deaf Sports Association is responsible for ensuring participation of Malaysia in the Deaflympics, Asia Pacific Deaf Games and other international athletics competitions.

5. *Clause 4* seeks to amend section 11 of Act 576 on a policy that a company is no longer allowed to be registered as a sports body under Act 576.

6. *Clause 5* seeks to amend section 12 of Act 576 to increase the penalty for the offence of not complying with the direction of the Commissioner, discloses false information or produces false report from the present fine of not exceeding five thousand ringgit to the proposed fine of not less than five thousand ringgit but not more than fifty thousand ringgit.

7. *Clause 6* seeks to amend section 20 of Act 576 by distinguishing the grounds to revoke or suspend a registration of a sports body. With the proposed amendment the existing grounds of suspension and revocation is now distinguished to enable the Commissioner to implement the suspension and revocation efficiently.

8. *Clause 7* seeks to amend section 21 of Act 576 in consequence of the introduction of Sports Disputes Committee under Part VI.

9. *Clause 8* seeks to amend section 24 of Act 576 to enable any member of a sports body or a sports body itself to refer any disputes which cannot be resolved in accordance with the internal procedures to the Sports Dispute Committee instead of the Minister.

10. *Clause 9* seeks to introduce new section 24A into Act 576 which empowers the Minister to hear appeal from any member of a sports body or a sports body itself who is aggrieved by the decision of the Sports Dispute Committee.

11. *Clause 10* seeks to amend subsection 25(2) to increase the penalty for any contravention of subsection 25(1) from the present fine of not exceeding five thousand ringgit to the proposed fine of not less than five thousand ringgit but not more than fifty thousand ringgit.

12. *Clause 11* seeks to substitute Part VI of Act 576 to make provisions relating to the Sports Dispute Committee ("the Committee") which replaces the existing Sports Advisory Panel. The proposed amendment to Part VI is in consequence to the amendment of section 24 of Act 576 where, with the proposed amendment any member of a sports body or a sports body itself now can refer to the Committee for decision on any sports dispute.

The proposed section 27 seeks to provide for the establishment of the Committee to hear and resolve any sports disputes referred to it by any member of a sports body or a sports body itself.

The proposed section 28 seeks to provide for the membership of the Committee and the matters relating to the membership of the Committee.

The proposed section 29 seeks to empower the Minister to appoint the Commissioner of Sports to be the Secretary of the Committee and other officers to assist the Secretary.

The proposed section 30 seeks to empower the Committee to require disclosure of information, report or document from any person and the attendance of any person for the better carrying out of the Committee's duties and functions to hear and resolve any sports dispute referred to the Committee.

The proposed section 31 seeks to protect the members and officers of the Committee against suits and legal proceedings for anything done or omitted to be done, in good faith when exercising their duties and functions under Act 576.

The proposed section 32 seeks to empower the Minister to make regulations relating to the Committee.

13. *Clause 12* seeks to amend section 33 of Act 576 to make it compulsory for any person who offers to host any international sports competition or event in Malaysia to obtain prior approval in writing of the Minister. Presently only person who bids to host any international sports competition or event in Malaysia is required to obtain prior approval in writing of the Minister. *Clause 12* also seeks to make provision for penalty for failure to obtain such approval.

14. *Clause 13* seeks to amend section 36 of Act 576 to make it an offence for any company who contravenes subsection 36(1) of Act 576. This amendment is proposed because an offence is not provided for under the present section 36 of Act 576 for those who contravenes subsection 36(1) of Act 576. With the recent sporting activity in Klang organized by a company without obtaining a licence under subsection 36(1) of Act 576 which had caused death of a participant and injuries to many participants, the company could not be charged under Act 576 because an offence is not provided for under the present section 36 of Act 576.

15. *Clause 14* seeks to amend subsection 38(3) of Act 576 to increase the penalty for any offence of any regulations made under sections 38 and 26 of Act 576 from the present fine of not exceeding five thousand ringgit or a term of imprisonment not exceeding six months to the proposed fine of not less than five thousand ringgit but not more than fifty thousand ringgit or a term of imprisonment not exceeding five years.

16. *Clause 15* seeks to delete section 39 of Act 576 in relation to general offences in consequence to the amendments of sections 31, 33 and 36 where the penalty of the offences have now been proposed to be provided in sections 31, 33 and 36. Section 39 of Act 576 is deleted as the provision for general offences is no longer relevant.

17. *Clause 16* seeks to provide for the savings and transitional provisions.

*FINANCIAL IMPLICATIONS*

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

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