

A BILL

i n t i t u l e d

An Act to amend the Sports Development Act 1997.

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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 Sports Development (Amendment) Act 2026.

(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 in different parts of Malaysia.

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 by inserting after the definition of “company” the following definition:

‘ “Court” means the High Court;’.

Amendment of section 3

3. Section 3 of the principal Act is amended by substituting for subsection (2) the following subsection:

“(2) Any guidelines provided or issued under subsection (1) shall be consistent with applicable international guidelines or rules on the same matter.”.

Amendment of section 8

4. Subsection 8(2) of the principal Act is amended by substituting for the words “athletics competitions” the words “sporting events”.

Amendment of section 9A

5. Subsection 9A(2) of the principal Act is amended by substituting for the words “athletics competitions” the words “sporting events”.

Amendment of section 9B

6. Subsection 9B(2) of the principal Act is amended by substituting for the words “athletics competitions” the words “sporting events”.

New sections 19A, 19B and 19C

7. The principal Act is amended by inserting after section 19 the following sections:

“Provisions applicable to sports body

19A. The following provisions shall apply to a sports body which has been registered by the Commissioner under this Act:

- (a) the movable property of a sports body, if not vested in trustees, shall be deemed to be vested in the sports body, and may, in all civil and criminal proceedings, be described as the property of the sports body;

- (b) the immovable property of a sports body may, if not registered in the names of trustees, notwithstanding the provisions of any written law to the contrary, be registered in the name of the sports body, and all instruments relating to that property shall be as valid and effective as if the instruments had been executed by a registered proprietor provided that the instruments are executed by three office bearers of the sports body for the time being, whose appointments are authenticated by a certificate of the Commissioner, and sealed with the seal of the sports body;
- (c) a sports body may sue or be sued in the name of such one of its members as shall be declared to the Commissioner and registered by him as the public officer of the sports body for that purpose, and, if no such person is registered, it shall be competent for any person having a claim or demand against the sports body to sue the sports body in the name of any office bearer of the sports body;
- (d) no suit or proceedings by or against a sports body in any civil court shall abate or discontinue by reason of the person by or against whom the suit or proceedings has been brought or continued, dying or ceasing to fill the character in the name he has sued or been sued, but the same suit or proceedings shall be continued in the name of or against the successor of that person;
- (e) no judgment in any suit against a sports body shall be put into force against the person or property of the person sued but against the property of the sports body;
- (f) the application for execution of a judgment shall contain the judgment, the fact of the party against whom it has been obtained, having sued or having been sued, as the case may be, on behalf of the sports body, and the application shall require to have the judgment enforced against the property of the sports body;

(g) any member of a sports body who—

- (i) fails to pay fees in accordance with constitution of the sports body;
- (ii) owes money to the sports body;
- (iii) takes possession or detains, any property of the sports body contrary to the constitution of the sports body; or
- (iv) injures or destroys any property of the sports body,

may be sued for the fees or money or for the damage accruing from that wrongful possession, detention, injury or destruction of the property, however if the member is successful in that suit and is awarded costs, the member may elect to recover the costs from the officer in whose name the suit was brought or from the sports body and, if in the latter case, the member may execute the judgment for the awarded costs against the property of the sports body;

(h) any member of a sports body who—

- (i) commits theft or dishonestly misappropriates or converts to his own use, any money or other property of the sports body;
- (ii) willfully or maliciously injures or destroys any property of the sports body; or
- (iii) forges any deed, bond, security for money, receipt or other instruments whereby the funds of the sports body may be exposed to loss,

shall be liable to prosecution as if he was not a member of the sports body;

- (i) in the absence of any specific provision in the constitution or rules of a sports body, not less than three-fifths of the members of the sports body resident in Malaysia

may decide that the sports body shall be dissolved immediately or at a time agreed, and all necessary steps shall be taken for the disposal and settlement of the property of the sports body, its claims and liabilities, according to the clause applicable to the sports body, if any, and if none, as the governing body shall direct;

- (j) if any dispute arise among the governing body and sports body under paragraph (i), the dispute shall be resolved in accordance with sections 23 and 24.

Power of Commissioner to make written direction

19B. The Commissioner may, after giving a sports body an opportunity to make representation to him and after taking into consideration of the representation, make a written direction requiring the sports body, within the time specified in the direction, to amend its constitution or rules—

- (a) to comply with the provisions of this Act;
- (b) to remove any ambiguity or vagueness, or to provide a clearer and more precise meaning in any provision of its constitution or rules; or
- (c) to provide for any other matters the Commissioner considers necessary or expedient.

Change of name, etc., and amendment to constitution or rules of sports body

19c. (1) No sports body shall change its name, place of business, registered address or correspondence address, or amend its constitution or rules without prior approval of the Commissioner.

(2) An application to change the name, place of business, registered address or correspondence address, or to amend the constitution or rules of a sports body shall be made to the Commissioner accompanied by the prescribed fee.

(3) Any sports body which contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit.”.

New sections 25A, 25B and 25C

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

“Winding up of affairs of sports body upon revocation of registration

25A. (1) Upon revocation of the registration of a sports body under this Act, the following consequences shall occur:

- (a) the property of the sports body shall, for the purpose of winding up of the affairs of the sports body, vest in the Director General of Insolvency;
- (b) the Director General of Insolvency shall proceed to wind up the affairs of the sports body, and after satisfying and providing for all debts and liabilities of the sports body and the costs of the winding up, shall pay the surplus assets, if any—
 - (i) on the direction by the Minister, to the Consolidated Fund, if the registration was revoked by the Commissioner or by virtue of an order made by the Minister under section 41A or if the members of the sports body so request; or
 - (ii) in other cases, to members of the sports body according to the constitution of the sports body, or if there be no such clause, the Director General of Insolvency shall prepare a scheme for the application of the surplus assets for the approval of the Court;
- (c) the application for approval of the scheme shall be made by way of originating summons and may be amended by the Court as it thinks fit under the circumstances of the case;

- (d) upon the approval of the Court to such scheme or amended scheme being obtained, the surplus assets the subject of the scheme shall be held and applied by the Director General of Insolvency in accordance with the terms and for the purposes specified in the order of the Court; and
- (e) for the purpose of the winding up of the affairs of the sports body, the Director General of Insolvency shall have all the powers under any written law relating to bankruptcy or winding up of companies for the purpose of the realization of property of the sports body under this Act.

(2) The Commissioner or Director General of Insolvency may require—

- (a) the governing body of the sports body existing immediately before the coming into effect of subsection (1);
- (b) any member of the governing body; or
- (c) any person who was then or had previously been an office bearer, member or employee of that sports body,

to furnish to the Commissioner or Director General of Insolvency, as the case may be, or any other person as the Commissioner or Director General of Insolvency may specify, any information in relation to the property, affairs, business, accounts or books of the sports body, or any other matters relating to the sports body, which may be required for the purposes of this section.

(3) Subject to subsection (4), it shall not be an offence under this Act for anything done by any person referred to in subsection (2) in complying with such subsection if such thing is done in accordance with law.

(4) Any person referred to in subsection (2) who fails to comply with any requirement of the Commissioner or Director General of Insolvency, or does anything outside the scope of, or contrary to, any requirement of the Commissioner

or Director General of Insolvency under subsection (2) shall be guilty of an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding five years or to both.

Vesting of property of sports body registration of which has been revoked in new sports body

25B. (1) Any new sports body established to replace a sports body the registration of which has been revoked by the Commissioner under this Act or by virtue of the order made by the Minister under section 41A, may apply in writing to the Director General of Insolvency for the vesting of all assets, debts and liabilities of the sports body the registration of which has been revoked which has already vested in the Director General of Insolvency under paragraph 25A(1)(a) in the new sports body.

(2) Notwithstanding subparagraph 25A(1)(b)(ii), the Director General of Insolvency may, if he is satisfied that—

- (a) the new sports body has been registered under this Act;
- (b) the constitution or rules of the new sports body are similar to the constitution or rules of the sports body the registration of which has been revoked;
- (c) the majority of persons who were lawful members of the sports body the registration of which has been revoked immediately before the revocation of its registration are members of the new sports body; and
- (d) the new sports body has given a written undertaking stating that the new sports body will assume responsibility for all debts and liabilities of the sports body the registration of which has been revoked,

apply to the Court for an order for vesting all the assets, debts and liabilities of the sports body the registration of which has been revoked in the new sports body.

(3) The Court may, if it is satisfied as to all the matters mentioned in subsection (2), grant such application as applied by the Director General of Insolvency with such modifications or variations as the Court deems fit and expedient.

(4) The application shall be made by way of originating summons which shall be published in the *Gazette* and advertised in newspapers in the national language and English language circulating in Malaysia.

(5) Any person likely to be affected or aggrieved by the order of the Court, in his capacity as a member of either the sports body the registration of which has been revoked or new sports body or as a creditor of the sports body the registration of which has been revoked, may apply to the Court to appear and make representation in accordance with the Rules of Court 2012 [*P.U. (A) 205/2012*].

(6) Any person who was a lawful member of the sports body the registration of which has been revoked immediately before the revocation of its registration and who is not a member of the new sports body who does not object to the application of the Director General of Insolvency shall be discharged from all debts and liabilities of the sports body the registration of which has been revoked and all its affiliates upon the making of the order sought by the Director General of Insolvency.

(7) Upon a vesting order being made by the Court under subsection (3), all the property specified in the order shall vest accordingly in the new sports body without any further conveyance, transfer or assignment.

(8) The Director General of Insolvency may take such action as may be necessary to manage any property or discharge the debts and liabilities of the sports body the registration of which has been revoked although an application under subsection (2) is pending in the Court.

(9) The Director General of Insolvency shall publish the order under subsection (3) in the *Gazette* and advertise the order in newspapers in the national language and English language circulating in Malaysia, and thereafter the Director General of Insolvency shall be fully discharged from all his responsibilities and liabilities in the matter.

(10) All costs and expenses incurred by the Director General of Insolvency in the matter shall be paid out of the assets of the sports body the registration of which has been revoked in priority to all other debts and liabilities.

(11) All deeds, bonds, agreements, instruments and working arrangements subsisting immediately before the publication in the *Gazette* of the order of the Court under subsection (3) shall be of full force and effect against or in favour of the new sports body and enforceable as fully and effectually against the new sports body.

(12) Subsections 25A(2) and (4) shall apply to this section in the same manner as they apply in relation to section 25A.

Inspection of documents filed with Commissioner

25c. (1) Subject to subsection (2), any document filed with the Commissioner under any provision of this Act or any copy of any certificate, direction, notice or any other documents issued by the Commissioner under this Act may be inspected or obtained the copy of it by any person upon receipt of the prescribed fee.

(2) For the purposes of subsection (1)—

- (a) the person applying to inspect or obtain the copy shall specify the purpose of inspecting the document or obtaining the copy of the document;
- (b) the Commissioner shall satisfy the purpose is lawful purpose; and
- (c) the application to inspect or obtain any copy of the document is not made by or on behalf of any unlawful sports body or any party who has no interest in the sports body.”.

New Part VIA

9. The principal Act is amended by inserting after Part VI the following part:

“PART VIA

ENFORCEMENT AND INVESTIGATION

Enforcement officer

32A. The Minister may appoint in writing any public officer as an enforcement officer to exercise the powers of enforcement and investigation under this Act.

Power of enforcement and investigation

32B. An enforcement officer or police officer shall have all necessary powers—

- (a) to carry out any investigation under this Act; and
- (b) to enforce any provision under this Act.

Disclosure of authority card

32C. An enforcement officer in exercising any power under this Act shall declare his office and shall disclose to the person against whom such action is to be taken or from whom the information is to be required, an authority card issued to him by the Minister.

Power of inspection

32D. (1) An enforcement officer or police officer may, by notice in writing, require any person acquainted with the facts and circumstances of a case to appear before him and to be examined orally and shall reduce in 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 any court against that person or any other persons.

Disclosure of document, etc.

32E. In carrying out any investigation or inspection under this Act, an enforcement officer or police officer may—

- (a) require any person to submit to him any book, minute book, register, financial statement, document, particular or other things whether in physical or electronic form; and
- (b) inspect, make copies of, take extracts from, remove and detain any book, minute book, register, financial statement, document, particular or other things whether in physical or electronic form.

Seizure of document, etc.

32F. If an enforcement officer or police officer in carrying out an investigation under this Act has reason to believe that an offence has been committed, the enforcement officer or police officer may seize any book, minute book, register, financial statement, document, particular or other things in physical or electronic form submitted under section 32E and the book, minute book, register, financial statement, document, particular or other things shall be admissible in any proceedings in any court against the person or any other persons.

Application for search warrant

32G. If an enforcement officer or police officer has reasonable cause to believe that any premises has been used, is used or about to be used for, or there is in any premises evidence necessary to establish, the commission of an offence under this Act, the enforcement officer or police officer may apply to a Magistrate for a search warrant.

Power of Magistrate to issue search warrant

32H. If the Magistrate is satisfied that there is a commission of an offence under any provision of this Act, the Magistrate may issue a search warrant authorizing the enforcement officer or police officer, at any reasonable time by day or by night and with or without assistance—

- (a) to enter into the premises, if necessary by force;
- (b) to search for and seize and to remove any book, minute book, register, financial statement, document, particular or other things whether in physical or electronic form—
 - (i) related to an offence that has been committed;
 - (ii) related to an offence that is suspected to have been committed; or
 - (iii) that is reasonably believed to furnish evidence of the commission of the offence;
- (c) to remove by force any obstacle to the entrance, search, seizure or removal; or
- (d) to detain any person in the premises until the premises is completely searched.”.

New section 36A

10. The principal Act is amended by inserting after section 36 the following section:

“Prosecution

36A. No prosecution shall be instituted for any offence under this Act without the consent in writing of the Public Prosecutor.”.

Amendment of section 38

11. Subsection 38(2) of the principal Act is amended—

(a) in paragraph (e), by deleting the word “and”;

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

“(ea) compliance with international obligations
in relation to anti-doping;

(eb) any matter relating to safe sport; and”.

Amendment of section 41

12. Subsection 41(1) of the principal Act is amended by inserting after the words “this Act” the words “or any regulations made thereunder”.

New section 41A

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

“Power of the Minister to declare sports body unlawful

41A. (1) The Minister may, after consultation with the Commissioner, by order published in the *Gazette*, declare any sports body that is used or is being used for purposes prejudicial to or incompatible with the interest of the security of Malaysia, public order or morality, to be unlawful.

(2) An order made under this section shall operate to revoke immediately the registration of any such sports body.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Sports Development Act 1997 (“Act 576”), among others, to introduce a new part relating to enforcement and investigation, to provide for the management and disposal of asset, and liabilities of a sports body the registration of which has been revoked to protect the creditor’s interest and stakeholder, and to provide for the institution of prosecution. This proposed amendment also to empower the Minister to make regulations in respect of compliance with international obligations in relation to anti-doping and any matter relating to safe sport.

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 inserting the new definition of “Court” means the High Court.

4. *Clause 3* seeks to substitute subsection 3(2) of Act 576 to provide that the Minister may issue guidelines consistent with international guidelines or rules.

5. *Clauses 4, 5 and 6* seek to amend subsections 8(2), 9A(2) and 9B(2) of Act 576 to substitute the term “athletics competitions” with “sporting events” to ensure uniformity and accuracy in the usage of terminology and to avoid confusion with the sport of athletics specified in the First Schedule to the Act 576.

6. *Clause 7* seeks to introduce new sections 19A, 19B and 19C into Act 576.

The proposed new section 19A seeks to provide for matters relating to the movable and immovable property of a sports body, legal capacity of a sports body to sue and be sued, judgment and execution of judgment against a sports body, criminal liability of a member of a sports body and the dissolution of a sports body.

The proposed new section 19B seeks to empower the Commissioner to issue a written direction to a sports body requiring the sports body to amend its constitution or rules within the time specified in the direction after taking into consideration the representation made by the sports body.

The proposed new section 19C seeks to provide that a sports body shall not change its name, place of business, registered address or correspondence address or amend its constitution or rules without prior approval of the Commissioner. This *clause* also provides for the non-compliance with this new proposed section as an offence.

7. *Clause 8* seeks to introduce new sections 25A, 25B and 25C into Act 576.

The proposed new section 25A seeks to provide for the consequences of the revocation of registration of a sports body by the Commissioner or by virtue of the order made by the Minister under section 41A, including the vesting of property in the Director General of Insolvency for the purpose of winding up the affairs of the sports body. This *clause* also empowers

the Commissioner and Director General of Insolvency to require any information relating to the property, affairs, business, accounts or books of the sports body, or any other matters relating to the sports body. This *clause* also provides for the non-compliance with subsection 25A(2) as an offence.

The proposed new section 25B seeks to provide for the procedure for the vesting of the assets, debts and liabilities of a sports body the registration of which has been revoked in a new registered sports body, subject to an application by the new sports body to the Director General of Insolvency who will then apply for an order from the High Court.

The proposed new section 25C seeks to provide for the inspection of any document filed with the Commissioner and enable any person to obtain any copy of the document upon receipt of the prescribed fee subject to the conditions specified in subsection 25C(2).

8. *Clause 9* seeks to introduce a new Part VIA into Act 576 which consists of new sections 32A, 32B, 32C, 32D, 32E, 32F, 32G and 32H.

The proposed new section 32A seeks to provide for the appointment of enforcement officers by the Minister.

The proposed new section 32B seeks to empower an enforcement officer or police officer to carry out any investigation and enforcement of any provision under Act 576.

The proposed new section 32C seeks to provide that an enforcement officer shall declare his office and produce his authority card when exercising his powers under Act 576.

The proposed new section 32D seeks to provide for the power of enforcement officer or police officer to examine any person acquainted with the facts and circumstances of a case and to record any statement made. This *clause* also provides that any statement made by the person examined shall be admissible as evidence under Act 576 in any proceedings in court.

The proposed new section 32E seeks to provide for the power of enforcement officer or police officer to require any person to submit to him any book, minute book, register, financial statement, document, any particular or other things whether in physical or electronic form, and the enforcement officer or police officer may inspect, make copies of, take extracts from, remove and detain any book, minute book, register, financial statement, document, particular or other things whether in physical or electronic form.

The proposed new section 32F seeks to provide for the seizure of any book, minute book, register, etc., if the enforcement officer or police officer has reason to believe that an offence has been committed under Act 576. This *clause* also provides that any book, minute book, register, etc., seized shall be admissible as evidence in any proceedings in court.

The proposed new sections 32G and 32H seek to provide for the applications for search warrants by an enforcement officer or police officer if the enforcement officer or police officer has reasonable cause to believe that any premises has been used, is used or about to be used for, or there is in any premises evidence necessary to establish, the commission of an offence under Act 576 and the powers of the Magistrate to issue search warrant.

9. *Clause 10* seeks to introduce a new section 36A into Act 576 to provide that the prosecution under Act 576 shall only be instituted if the consent in writing of the Public Prosecutor has been obtained.

10. *Clause 11* seeks to introduce new paragraphs *(ea)* and *(eb)* into subsection 38(2) of Act 576. The proposed new paragraphs empower the Minister to make regulations relating to the compliance with international obligations in relation to anti-doping and for any matter relating to safe sport.

11. *Clause 12* seeks to amend subsection 41(1) of Act 576 to empower the Minister to exempt any person from all or any provision of Act 576 or any regulations made under Act 576.

12. *Clause 13* seeks to introduce a new section 41A into Act 576 to empower the Minister to declare a sports body unlawful if the sports body is used or is being used for purposes prejudicial to or incompatible with the security interest of Malaysia, public order or morality.

13. Other amendments 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.

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