LAND DISPOSAL IN MALAYSIAN LAND ADMINISTRATION SYSTEM

> NATIONAL LAND CODE [ACT 56 of 1965]

Malaysian Technical Cooperation Programme (MTCP): Roles & Contributions of Land Administration In Malaysian Development.

> 28th August 2018 INSTUN

Interpretation of DISPOSAL

Section 5, National Land Code (NLC)

- means any disposal of land made by the State Authority in the exercise of any of the powers conferred by section 42 or of any of the corresponding powers conferred by any previous land law *Disposal is a method used by State Authority to enable people to acquire a variety degree of rights with respect to State Land What type of 'land ' that can be dispose?

Section 42 (1) NLC : 'State Land' defined under section 5 – as all land in a State including river bed, foreshore and sea bed in a state BUT not alienated land, reserve land, mining land and forest reserve.

Rights & powers of the State Authority

- Disposal
- Planning land use
- Land development
- Reversion
- Forfeiture
- Imposition of quick rent, premium, levy
- Land Acquisition

Section 42 explains the forms of DISPOSAL

a) Alienation s42(1)a

b) Reservation and lease of reserved land s42(1)b

c) Temporary Occupation Licence s42(1)c

d) Permit to remove rock material s42(1)d

e) Permit use of air space

s42(1)e

Limitation of powers of the State Authority

Section 42(2)

a) Mining

d) Alienate agricultural land of less than 1 acre to 2 or more persons



b) Extraction or re moval of rock material for metal or mineral

c) Removal of forest produce

ALIENATION

THE CONTEXT OF STATE AUTHORITY

Lebbey Sdn Bhd v Chong Wooi Leong [1998] 5 MLJ 368

- This case gives the differences between the meaning of STATE AUTHORITY in National Land Code and the practical definition :

SECTION 5 NLC :

State Authority refers to the ruler or governor of the state as the case may be.

However, in practice, the State Authority is defined, from the case above, as the Ruler acting upon the recommendation of the Executive Council of the State and for the Federal Territory, the Government of the Federation was held to be equivalent to the State Authority.

PERSONS AND BODIES TO WHOM LAND MAY BE DISPOSED TO s43 NLC

1. NATURAL PERSONS OTHER THAN MINORS

-a **person** (in legal meaning, i.e., one who has its own legal personality) that is an individual human being, as opposed to a legal **person**, which may be a private (i.e. business entity or non-governmental organization) or public (i.e. government) organization

- 2. CORPORATIONS
- 3. SOVEREIGNS, GOVERNMENTS, ORGANISATIONS
- 4. BODIES EXPRESSLY EMPOWERED TO HOLD LAND UNDER ANY OTHER WRITTEN LAW

TO WHOM LAND CANNOT BE DISPOSED TO

Insane person

 Mental Health Act 2001

Bankrupt

- Insolvency
 - Act 1967

EXTENT OF DISPOSAL : GENERAL s44 NLC

a) Airspace above land, land below surface

c) Right of access to foreshore or river or public place

b) Right of support of the land

* Exclusive rights but not absolute !

Lacroix v The Queen [1954] 4 DLR 470 (Canada)

- Canadian government build a air passageway above a parcel of land
- Owner of land demands compensation for loss of use
- Courts decision:

....air and space are not susceptible of ownership and f all in the category of *res omnium communis* (a thing of entire community...common heritage of all humankind) -compensation denied

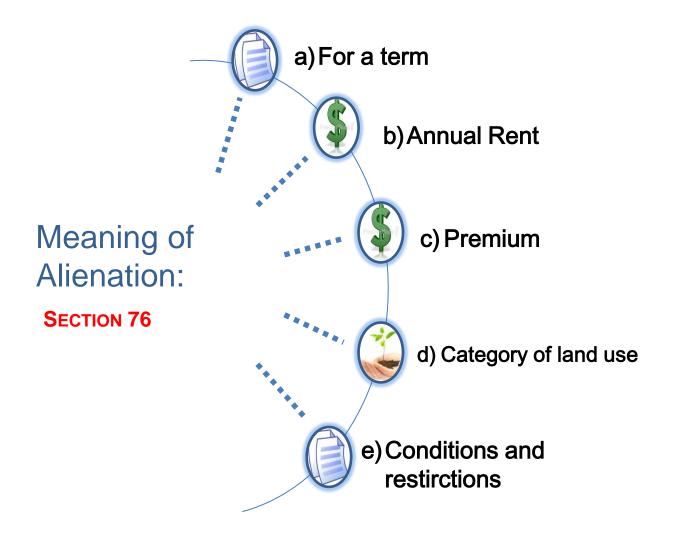
-owner failed to prove loss of usage rights on land due to the airway

-owner has limited rights of air and space above his land; limited by what he can possess or occupy for the use and enjoyment of his land Madam Chah Siam vs Chop Choy Kong Kongsi [1939] MLJ Rep 187

- Plaintiff occupied land under licence to operate fish pond
- Defendant occupied adjoining land and did mining opreations until almost rea ch the boundary of the bank of the adjoining fish pond
- Bank collapsed and water from the pond poured into the mine
- Plaintiff demands compensation for loss of revenue and loss of natural support of land due to mining activities
- Court denies the plaintiff's demand because land that has been dug out is no longer in natural state and therefore has loss the right to the support of the land

Furthermore, the pond is filled with water which increase the pressure on the land and further weaken the structure of the land.

ALIENATION

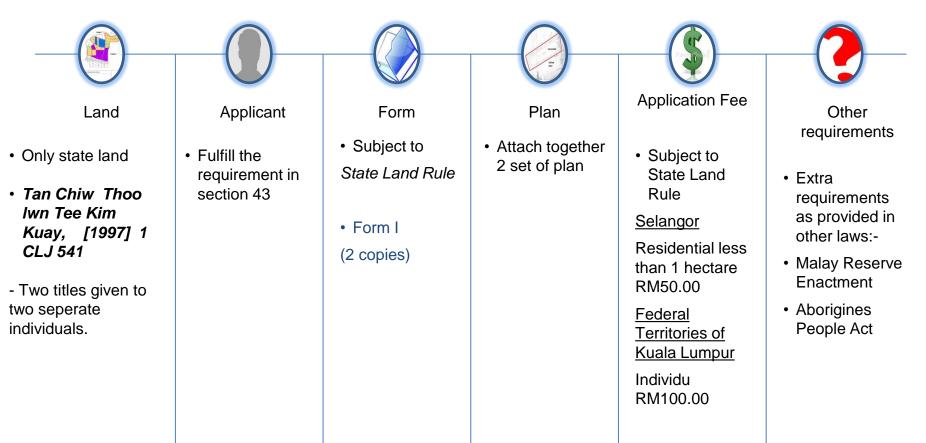


Alienation is a form of disposal that gives rights on land ownership throught the document title.

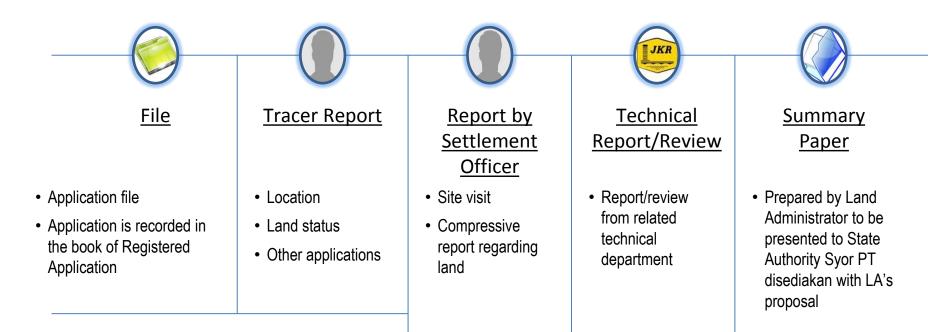
The document title which is registered confer ownership that is protected by the law - *indefeasibility of title*.

Federal Constitution guarantees ownership of property through Article 13.

Permohonan



Penerimaan dan Pemprosesan



* Summary rejection – Rejection by Land Administrator on any application that dose not meet requirements and regulations

State Authorithy Approval



<u>Reject</u>

- Inform the applicant
- Result will be recorded in the Registered Application book (RA)



<u>Accepted</u>

- Inform the applicant
- Result recorded in RA
- Prepare Form 5A
- Applicant need to pay fees as stated in notice sent within time period



 After Form 5A being paid Kanun Tanah Negara

BORANG 5A (Seksyen 81 dan 82)

NOTIS BAHAWA HASIL TANAH HARUS DIBAYAR

(No. Permohonan Tanah.....)

Kepada	
vang beralamat di	

Kamu adalah dengan ini dikehendaki, dalam tempoh dari tarikh penyampaian notis ini supaya *membayar/mendeposit di Pejabat Tanah daerah ini jumlahwang-jumlahwang yang berikut—

Hasil bagi tahun yang pertama	RM
Premium	RM
Fee Ukur (tidak termasuk Tanda Sempadan)	RM
Tanda Sempadan	RM
Persediaan dan pendaftaran-	
*(i) dokumen-dokumen hakmilik sementara dan	
dokumen hakmilik muktamad	RM
*(ii) dokumen hakmilik muktamad	RM
Jumlah	RM

Ambil perhatian bahawa jika jumlah wang yang disebut di atas tidak *dibayar/dimasukkan dalam deposit dengan sepenuhnya dalam tempoh yang dinyatakan, maka menurut kuasa peruntukan-peruntukan seksyen *81/82 Kanun Tanah Negara—

*kelulusan atas permohonan kamu akan luput,

*permohonan kamu akan disifatkan sebagai telah ditarik balik.

Bertarikh pada....., haribulan...., 20......

T.	M.	

Pentadbir Tanah

Daerah

Section 81(1) : list of payment need to be paid when alienation is being granted

Section 81(2) : State Authority need to serve notice through Form 5A that demands applicant to pay within stipulated

If fail to pay within period given, s 81(2) states that the approval for the alienation shall lapse

Teh Bee vs K. Maruthamuthu [1977] 2 MLJ 7

Teh Bee paid 5A after stipulated time

K Maruthamuthu, a TOL holder on said land claims that the alienation is not legal

High Court Decision: State Authority has acted in ultra vires when registered the alienation and s81(2) is mandatory

Court of Appeal : non compliance to the regulations related to land alienation of state land does not affect the title once registered is being done.

Indefeasibility of title

Payment in time only directory, not mandatory

*Potong sebagaimana yang sesuai

RIGHTS OF OWNERS



Reversion to State Authority

(Section 46)



Term expiry

End of lease.

s46(1) NLC



Forfeiture

Gazetted under s130 NLC due to non payment of rent(s100 NLC) or breach of condition (s129 NLC)

Death without successors

Owner passed away leaving behind no heir.

s351 NLC



Abandonment of title

Land office title (country land< 4ha) not in effective occupation of the land & has for the past 7 years done no act on the land.

s352 NLC



Surrender

surrenders

land back to

State Authority

s197 NLC

Owner of land

Advance or retreat of sea

Shoreline or bed of river advanced to encroach alienated land, the area encroaced become state land

s49 NLC

How Alienation is being effected (enforced)

(Section 78)

s78(3) Take effect upon the registration of a register document of title

NORTH EAST PLANTATIONS SDN BHD vs LAND ADMINISTRATOR OF DUNGUN & ANOTHER [2011] 4 CLJ 729

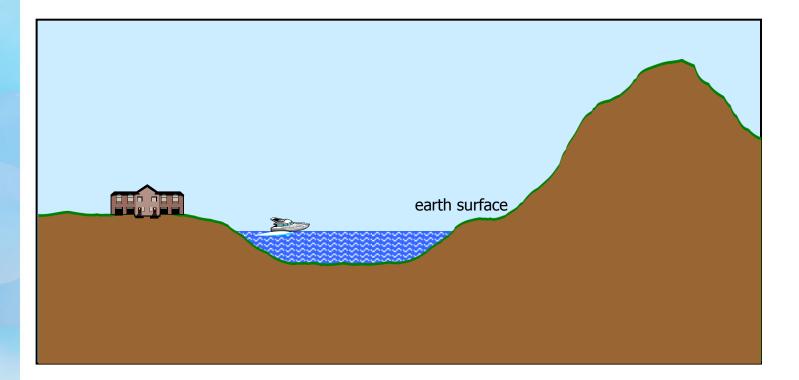
-SA grants 11 lots of state land with acreage of 10,000 acre to North East for the purpose of agricultural activities.

-3 lots was registered and titles were produced to North East

-North East later on came up with enough funds to pay the remaining 8 lots which amount to RM2,052,465.30. However, SA decided to reject the payment and to cancel out the previous approval

 Federal Court decided that the appeal made by North East against LA of D ungun does not have basis and therefore rejected due to the land is still u nder the status of State Land

DISPOSAL OF UNDERGROUND LAND s92A



Defination of Stratum

Stratum - cubic layer of underground land

Underground Land - land which lies below the surface

Minimum Depth

Minimum depth in respect of underground land specified under sections 92B and 92E are as described in the Schedule below

Agricultural 6metres Building 10metres

Industry 15metres

DISPOSAL OTHERWISWE THAN ALIENATION

1. RESERVATION AND LEASE OF RESERVED LAND

Reservation and Lease on Reservation s62 & s63

Section 62 SA may by the notification in Gazette reserve any State land for any public purpose

Notification of gazette shall:

- Describe the reserved land;
- Describe the purpose for which land is reserved;
- Designate the [public] officer for the time being having the control of the reserved land
- Be conclusive evidence that the land so described is reserved for a public purpose

S. 63 may grant leases for the whole or any part of the reserved land for any period not exceeding 21 years.

Lease on reserved land

- Approval from officer in control
- Lease part or whole
- Period: Not exceeding 21 years
- Use Form 4E

S. 64 SA may revoke the reservation of land either in respe ct of whole land or any part thereof.

Revocation of reserved land

- Revoke whole or part.
- Notice published in Gazette.
- Enquiry is held.
- Any lease of reserved land shall continue in force.

TEMPORARY OCCUPATION OF LICENCE

2.

Temporary Occupation of Land s65 NLC

Temporary Occupation Licence (TOL) :

- Rights to occupy land on temporary basis.
- Not a title nor a lease.
- Limited in duration : expiring within calendar year ends on 31st December each year
- It is limited in terms of enjoyment and usage
- Not capable of transfer or transmission on death
 - PERSONAL TO HOLDER, DIES WITH HOLDER
- SA may limit the usage of the land under TOL by imposing conditions upon the licence

PURPOSE:

- 1. Cash Crops eg corn, bananas
- 2. Temporary building
- 3. Public Exhibition
- 4. Public entertainment

Power to licence on these land:

- 1. State Land.
- 2. Mining land not in use for mining
- 3. Reserved land not in use for the purpose it was reserved

OBJECTIVE:

- 1. Increase in state land revenue
- 2. Improve economy of licence holder

FORM 4A

Proffesor Salleh Buang :

TOL is basically a legal mechanism to solve non legal problems

- TOL given to legalize squatters

3. REMOVAL OF ROCK MATERIAL

S70 SA may permit the extraction, removal and transportation of any rock material from:

- State Land
- Alienated Land
- Mining Land
- Reserved Land

Form 4C

Form 4C

PERMIT TO EXTRACT, REMOVE AND TRANSPORT ROCK MATERIAL

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	Kanun Tanah Negara	
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	BORANG 4 C	
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	(Seksyen 72) Daerah	
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	kepada mana-mana peruntukan lain yang ditetapkan oleh Aturan.	
	Dikeluarkan pada haribulan	
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1	Pertungua Ingara yang Berkuasa	
Sala Balance	BUTIR-BUTIR MENGENAL TANAH	
State State of State	*Bandar/Pekan/Mukim	
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DEFINITION OF ROCK MATERIAL

Any rock, stone, gravel, common sand, com mon earth, common laterite, loam, common clay, soil, mud, turf, peat, coral, shell and any other rock materials within or upon any land, and includes processed materials therefrom, other than minerals defined under any written law

Permit conditions:

- Duration:- untill the end of calendar year
- Only for the purpose stated on the permit
- Quantity: not exceeding as stated
- No dealings can be done on permit nor transmitted on death
- Assigment only if permitted by State Land Rule
- Death of permit holder : permit ends
- Breach = Cancelled and no compensation
- Cancelled with compensation: according to provision in s434 of NLC

Issue of Permits

State Land

Alienated Land

Mining Land

Reserved Land

Land Administrator

- Land Administrator

:to proprietor of land: with consent of proprietor, any other person or body

- by the Land Administrator acting with approval of Senior Inspector of Mines

- by the Land Administrator acting with approval of officer in control
- by that officer, as authorised by State Authority

S71 NLC



COMBINED TOL AND PERMIT

COMBINED TEMPORARY OCCUPATION LICENCE AND PERMIT(BORANG 4B)

PURPOSE:

- 1. TO OCCUPY, EXTRACT, REMOVE AND TRANSPORT ROCK MATERIAL
- 2. TO ERECT TEMPORARY BUILDING FOR THE PURPOSE OF WORK ABOVE

Shall be in FORM 4B

s69(1)

Issue for maximum term not exceeding five years or such greater number of years as may be prescribed



ISSUANCE OF COMBINED TOL AND PERMIT

• STATE LAND

MINING LAND

RESERVED LAND

PERMIT TO USE AIR SPACE ABOVE STATE LAND AND RESERVED LAND

4

Permit to use Air Space:

Purpose:

- Erecting, maintaining and occupying a structure
- As an adjunct to any structure on the adjoining I and

Form 4D

THANK YOU