



---

Fail: KPKT/BPK/19/7/4 Klt.39 (23)

Tarih: 17 April 2012

Chief Editor,

The Malay Mail

**News Paper** : **The Malay Mail**  
**Date** : **11 April 2012**  
**Subject** : **Many Hands In Illegal Schemes**

---

This press release is issued in respond to the article entitled "*Many hands In Illegal Schemes*" on 11 April 2012. National Housing Department has identified a list of law firms, engineers, architects and banking institutions in Peninsular Malaysia affected by the unlicensed housing development project. Similarly, the department demand that the parties involved to take an appropriate and necessary action against the parties concerned. For the record, the department is taking the enforcement action and prosecution of the said developers whom involved in accordance with **Section 5 (1) of the Housing Development (Control and Licensing) Act 1966 (Act 118)**, namely: "*No housing development shall be engaged in, carried on, undertaken or caused to be undertaken except by a housing developer in possession of a license issued under this Act.*" Upon conviction, be liable to a **fine of not less than RM250,000.00 but not exceeding RM500,000.00 or to imprisonment for a term not exceeding five (5) years or to both**. In addition, the investigation of housing projects without a license is found that most of these projects **are not completed and abandoned**. In addition, there are parts of this project **does not have development order (D.O) and approval of building plans** and land conditions in which the land is still agricultural land status. However, it is found to hold responsible parties such as lawyers, engineers, architects and financial institutions have been providing their services in the implementation of such projects. Therefore, the department sought cooperation and a serious attention from all parties involved to **ensure** that the relevant developer **has a license and permit advertising and**

**sales with the Ministry of Housing and Local Government (MHLG) before execute any sale and purchase agreements, certifications or any approval of funding.**

This initiative is a new mechanism to achieve a more holistic approach and comprehensive of all the parties as a first step in order to prevent and solving these such problems. It is hoped that the collaboration of the parties involved in this matter can help solve this problem, then the welfare and interests of house buyers in the future are more secure. 195 profile of unlicensed housing projects has been extended to the National House Buyers Association (HBA), The Association of Banks In Malaysia (ABM), Association of Islamic Banking Institutions of Malaysia (AIBIM), Real Estate & Housing Developer's Association (REHDA), Bank Negara Malaysia (BNM), the Board of Engineers Malaysia (IEM ), the Board of Architects Malaysia (LAM) and the Malaysian Bar Council for further action by an official letter dated **January 31<sup>st</sup> , 2012**. This was followed by a letter dated **February 24<sup>th</sup> , 2012** to apply for the current status of the parties involved. In addition, one (1) special meeting to discuss an action taken against the parties involved with the unlicensed housing development project was held on **March 21<sup>st</sup> , 2012** and responses are as follows:

**Enforcement action against the Parties Involved In Unlicensed Housing Development Project**

| <b>BIL.</b> | <b>AGENCY</b>   | <b>ACTION</b>   |
|-------------|---|---|
| 1.          | <i>The Association of Banks in Malaysia</i> (ABM)       | - There are six (6) banks involved in financing a total of 104 unlicensed housing projects.<br>- It has been informed to all members of the bank to approve financing to a developer with only a licensed with MHLG in a letter dated back on 2010. |
| 2.          | Lembaga Jurutera Malaysia                               | - Has enlighten to all engineers to ensure that housing developers are required to have a license and permit advertising and sales with MHLG before making any sale and purchase agreements and certification of housing development project.       |
| 3.          | Majlis Peguam Malaysia ( <i>Malaysian Bar Council</i> ) | - Extend the ministry to apply for complaints to the Advocates & Solicitor's disciplinary Board (ASDB) for further action.  |

|    |   |   |
|----|---|---|
|    |   | - Ministry has forwarded the official complaint to the ASDB in a letter dated March 22 <sup>nd</sup> , 2012.  |
| 4. | Lembaga Arkitek Malaysia  | - Has identified a total of 43 architects involved with the unlicensed housing development project. Two (2) architect has passed away and two (2) are not registered with Lembaga Arkitek Malaysia.<br>- It has been informed to all architects to ensure that housing developers are required to have a license and permit advertising and sales with the MHLG before executing any recommendation and approval of construction thereon. |
| 5. | <i>Association of Islamic Banking Institutions Malaysia (AIBIM)</i> | - There are three (3) the banks involved in financing the unlicensed housing project.<br>- Several measures have been taken as follows:<br><br>(a) Reschedule funding and to postpone legal action for failure to make the repayment.<br>(b) Carry out discussions with the old developers and potential developers in rehabilitating the said projects.  |

*Kementerian Perumahan dan Kerajaan Tempatan (KPKT) diterajui oleh Yang Berhormat Datuk Seri Chor Chee Heung. Di bawah Kementerian ini terdapat 9 Jabatan iaitu Jabatan Perumahan Negara, Jabatan Kerajaan Tempatan, Jabatan Bomba dan Penyelamat Malaysia, Jabatan Perancangan Bandar dan Desa, Jabatan Lanskap Negara, Jabatan Pengurusan Sisa Pepejal Negara, Perbadanan Sisa Pepejal dan Pembersihan Awam, Tribunal Tuntutan Pembeli Rumah dan Institut Latihan KPKT.*

Untuk keterangan lanjut sila hubungi Jessylina Mat Lazim Ketua Komunikasi Korporat (jessy@kpkt.gov.my)

Dikeluarkan Oleh : Unit Komunikasi Korporat  
b.p. Ketua Setiausaha  
Kementerian Perumahan dan Kerajaan Tempatan

Telefon : 03-8891 5555  
Faks : 03-8891 5557  
e-mail : [pro@kpkt.gov.my](mailto:pro@kpkt.gov.my)

