

**MALAYSIA-THAILAND JOINT AUTHORITY ACT 1990**

**MALAYSIA-THAILAND JOINT AUTHORITY  
(ACCOUNTING PROCEDURE) REGULATIONS 1993**

**In exercise of the powers conferred by section 15 of the Malaysia-Thailand Joint Authority Act 1990, the Minister, after consultation with the Joint Authority, and with the approval of the Governments, makes the following regulations:**

**PART I**

**GENERAL PROVISIONS**

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1. These regulations may be cited as the Malaysia-Thailand Joint Authority (Accounting Procedure) Regulations 1993 and shall be deemed to have come into force on the 25th August 1993.
2. All of the accounts of the Joint Authority shall be maintained in the English Language.
3. All amounts to be recorded in the accounts of the Joint Authority shall be quoted in United States Dollars and/or other currency as agreed to by the Governments.
4. (1) The conversion of currencies into United States Dollars shall be recorded at the actual rate of exchange prevailing on the date of each transaction.  
  
(2) For accounting purposes, Baht or Ringgit shall be translated into United States Dollars or other currencies or vice versa as quoted at the rate prevailing on the last working day of that month of the bank at which the Fund is held.  
  
(3) Any loss or gain arising out of the currency conversion or translation shall be charged or credited to the accounts of the Joint Authority.
5. (1) At least thirty days in advance of the due date, the Joint Authority shall deliver to each Government a written request for its share of the annual contribution, referred to under subsection 8(2) of the Act, to the Joint Authority for expenses to be incurred for that year. The timing of such cash contributions shall be one lump sum payment for the first year, and thereafter the timing of such contributions may be in instalments based on periods to be mutually agreed to by the Governments.

(2) In addition to the normal annual contributions, the Joint Authority may make written requests to the Governments for their consideration for supplementary contributions to cover unforeseen requirements. In each such case, the Joint Authority shall specify the anticipated due date or dates of such contributions.

(3) The consideration and payment of the supplementary contributions under subregulation (2) shall not prejudice the rights of each Government to question the correctness of the amounts required to be contributed. In such an event, the Joint Authority shall explain to the Governments the reasons for such variances, if any, and, if required, shall undertake all necessary remedial actions.

6. (1) The Joint Authority shall furnish each Government at the end of each quarter, namely, in April, July, October and January, with the following:

- (a) a statement of expenditure and credits recorded in the accounts of the Joint Authority during the preceding quarter, summarised by main cost headings and showing each Government's share therein. This statement shall also contain the accumulated figure from the beginning of the year compared to the annual budget;
- (b) a statement showing the joint liabilities and receivables; and
- (c) a statement of the balance of the Government's contributions for the period concerned.

(2) The "cash" basis accounting shall be used for the calling of cash contribution and the "accrual" method shall be used for charging the accounts of the Joint Authority. "Cash" basis as used herein means that the expenditure for the operations is regarded as applicable to the period in which cash disbursements are made whereas "accrual" method means that expenses are regarded as applicable to the period in which they are incurred regardless of when payment is made.

(3) The Joint Authority shall, within six months after the end of each financial year, have its accounts audited and transmitted to the Governments together with a copy of any observations made by the auditor on any statement or accounts of the Joint Authority and a copy of the annual report dealing with the activities of the Joint Authority in the preceding year.

7. (1) All records shall be kept for and on behalf of the Governments in a manner which will sufficiently explain the transactions and financial position of the Joint Authority and enable compliance with any agreement or document required to be attached thereto.

(2) The records shall be kept in proper custody and shall be kept for ten years after the completion of the transactions or operations to which they relate respectively.

8. Any adjustment of the accounts of the Joint Authority may be made either at the initiation of the Governments or at the initiation of the Joint Authority with the written approval of the Governments and shall be made within twenty-four months after the year in question.

9. An internal audit report shall be submitted to the Joint Authority at least twice a year.

## PART II

### CREDITS AND CHARGES

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10. The Joint Authority shall establish and maintain separate accounts in the accounts of the Joint Authority on the following basis:

- (a) the accrual concept is adopted, which assumes that revenue and costs are accrued and match with each other; and
- (b) the accounts are to be prepared on the basis of historical costs, without adjustment for either changes in the general purchasing power of the United States Dollar or changes in the value of specific assets except for certain fixed assets and investment which are appraised by an approved and competent valuer acceptable to the Joint Authority.

11. The following items shall be credited to the accounts of the Joint Authority:

- (a) revenue arising under the provisions referred to in paragraphs 14(3)(b), (c), (e), (f) and (g) of the Act;
- (b) insurance collections in connection with assets acquired for the conduct of the operations when such assets are covered by insurance the premium of which have been charged to the Joint Authority;
- (c) revenue received from third parties for use of the properties of the Joint Authority including the amounts billed to any of the Governments for the exclusive use of such assets;
- (d) rentals, refunds and other credits received by the Joint Authority applicable to any charge which has been made to the accounts of the Joint Authority; and
- (e) other income received by the Joint Authority in the conduct of its operations.

12. (1) The operating expenditure and capital expenditure mentioned in subregulations (2) and (3), incurred by the Joint Authority in its operations, shall be charged to the accounts of the Joint Authority.

(2) The operating expenditure to be charged to the accounts of the Joint Authority shall be as follows:

(a) manpower expenditure, namely—

((i) remuneration, salaries, overtime and allowances of the members of the Joint Authority and permanent employees engaged in the operations for the sole benefit of the Joint Authority;

(ii) the Joint Authority's reasonable cost relating to holidays, vacations, sickness and disability benefits and other customary allowances applicable to its members and employees whose remunerations, salaries, overtime and allowances are chargeable under subparagraph (i);

(iii) expenditures of contributions made to the Joint Authority's Provident Fund for the Joint Authority's employees; and

(iv) the Joint Authority's current cost of established benefits including pensions, insurances and other allowances and those of a like nature applicable to the Joint Authority's manpower cost as provided under subparagraph (i);

(b) transportation and travel, namely—

(i) all travelling expenses, subsistence allowances and relocation costs of the Joint Authority's members and employees, and their families, assigned directly for the official business of the Joint Authority including transportation costs of personal and household effects and all other relocation expenses in accordance with established rules; and

(ii) the cost of transportation of members and employees, equipment materials and supplies necessary for the operations of the Joint Authority;

(c) communication charges, namely, telex, cable, telephone and facsimile charges, postage and any charges for the use of other communication systems such as radio or microwave facilities;

(d) utilities, namely, all costs in respect of fuel, electricity, heat, water or other energy used and consumed for the operations of the Joint Authority;

(e) rents, namely, rental charges paid for the lease or use of properties, equipment and facilities and transport vehicles;

(f) supplies and materials for repair and maintenance, namely, expenses for the purchase of spare parts for vehicles, office equipment and gasoline for vehicles;

(g) materials and other supplies, namely, materials and supplies purchased or furnished by the Joint Authority for use in its operation, so far as it is reasonably practicable and consistent with efficient and economic operation, which shall be purchased or furnished for the operations as may be required: Provided that Joint Authority shall take all reasonable steps necessary to avoid the accumulation of surplus stocks;

- (h) maintenance and small repairs including expenditure for the maintenance of buildings, offices, motor vehicles, office facilities, furniture and fixtures and other similar expenditure;
- (i) services, namely, expenditure for services of employees engaged on short-term contract basis, professional consulting or auditing services, legal services, training services, hospitality and other general and technical services required for the conduct of the operation;
- (j) damages and losses, namely, subject to paragraph (k), in all costs or expenses necessary to replace or repair damages or losses caused by fire, flood, storm, theft, accident or any other cause not controllable by the Joint Authority through the exercise of due care and diligence;
- (k) insurance and claims, namely—
  - (i) premium paid for insurance required to be carried out for the benefit of the accounts of the Joint Authority, together with losses, claims, damages, judgements and other expenses including legal services in relation thereto, not recovered from the insurance carrier;
  - (ii) if no insurance is required to be carried, all actual expenditures incurred and paid by the Joint Authority in settlement of any and all losses, claims, damages, judgements and any other expenses including legal services in relation thereto; and
  - (l) miscellaneous and other expenses, namely, miscellaneous and other expenses needed for the operations but not covered or dealt with in the above items of expenses, such as bank charges and other expenses.

(3) The expenditure to be capitalised and amortised as capital expenditure in accordance with the generally accepted accounting principles and charged to the accounts of the Joint Authority shall be in respect of the following:

- (a) buildings and facilities including renovation of buildings and facilities;
- (b) motor vehicles;
- (c) fixed assets, office equipment, furniture and fittings and fixtures;
- (d) communication facilities; and
- (e) computers, television sets, video and audio-visual equipment.

**Made the 16th November 1993.**

**[UPE. (R) 40/277/13 Jld. X; PN. (PU2) 520.]**

**DATO' SERI DR. MAHATHIR MOHAMAD**

**Prime Minister**

*Approved by the Government of Malaysia and the Government of the Kingdom of Thailand.*