

Maple Amalgated Sdn Bhd & 1 Ors v Bank Pertanian Malaysia Berhad

[Civil Appeal No.: 02(f)-54-09/2020(A)]

Key issues: *The judgment herein concerns the illegality and invalidity of commercial transaction contracts.*

Facts

Respondent purchased an estate land which was then repurchased by the 1st Appellant (“A1”) through the BBA Agreement. No memorandum of transfer was effected. A1 defaulted on the BBA Agreement and the Respondent then terminated it. This Appeal rises from the fourth suit which seeks to annul the BBA Agreement on the grounds of illegality. The High Court dismissed the claim. The Court of Appeal dismissed the Appellants’ appeal, thus affirming the High Court’s decision.

Decision

The Federal Court held that the BBA Agreement was not caught by the terms of section 214A of the National Land Code. It was also held that the BBA Agreement was not void for illegality.

Law

The Federal Court considered, among others, *Gula Perak Bhd v Datuk Lim Sue Beng & other appeals* [2019] 1 CLJ 153 when construing the section 214A NLC provision and held it to be good law. Further, the Federal Court found that only where the force of the law is abundantly manifest that such a commercial transaction to be in breach of the law and an illegality. The Federal Court upheld the long-standing recognition that courts should move slowly to strike down agreements for illegality where it concerns commercial transactions. Also, where found to be illegal, courts must be slow to conclude that the agreement is automatically void.