

Consumer Protection Act amended



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LOCAL lawmakers yesterday unanimously passed a bill to amend the Consumer Protection Act 1999, which would set a new cap for the Consumer Claims Tribunal's jurisdiction to hear cases with claims up to RM50,000.

Domestic Trade and Consumer Affairs (KPDNHEP) Deputy Minister Chong Chieng Jen (*picture*) said the amendment would force traders to act fairly towards consumers.

Failure to abide by the jurisdiction of the Consumer Claims Tribunal will lead to a fine of RM10,000 or a jail sentence of not more than two years or both as stipulated in Section 117 of the Act.

Previously, the tribunal was only permitted to handle cases of claims within RM25,000.

The tribunal, which is an alternative dispute resolution platform, was formed under the Consumer Protection Act 1999.

Its primary function is to hear and determine claims lodged by consumers in respect of goods purchased or services acquired from traders or service providers in a simple, cheap and fast manner.

, Before the establishment, all disputes between consumers, traders, suppliers or manufacturers of goods or the service providers were brought to the civil courts.

The procedure has been described as complicated, expensive and time-consuming.

The Stampin MP said the amended law is also expected to address online cheating cases, which is ranked second in a list of public complaints to the ministry after price hikes.

On another note, KPDNHEP Minister Datuk Seri Saifuddin Nasution Ismail was previously quoted as saying that current laws are ill-equipped to address issues surrounding consumer protection linked to digital transactions.

He said cases involving scammers have been increasing at an “alarmingly extraordinary” rate, in line with the rise in online shopping trends that offer convenience for consumers.

Separately, Chong also tabled a bill to amend the Companies Act 2016 yesterday.

The amendment seeks, among others, for a corporation to be deemed as a subsidiary of another company if the holding corporation holds more than half of the total number of issued shares.

Currently, under subparagraph 4(1) (a)(iii), a company shall be deemed to be a subsidiary of another company if the parent company holds more than half of the shares, excluding any part of the share capital which consists of preference shares.

