



Ooi Bee Hong
Foreign Investment,
Mergers & Acquisitions
T: +603 6208 5805
E: obh@lh-ag.com

27 MARCH 2019

Public Sporting Events

Sports Development (Amendment) Act 2018 [\[Act A1570\]](#)
Sports Development (Licensing) Regulations 2019 [\[PU\(A\) 57/2019\]](#)

Under the Sports Development Act 1997,^[1] companies involved in any sporting activities^[2] are required to apply for a licence from the Commissioner of Sports before any such event is held.^[3] Although the Act has been in force since 1997, there has been a lack of enforcement by the relevant authorities until an incident in December 2017, in which three participants of a marathon were injured in a car crash and the organiser was found not to have a licence for the event.^[4]

Following this incident, the Sports Development (Amendment) Act 2018 was passed to tighten up the regulation of sports events and, simultaneously, the Ministry of Youth and Sports issued the Sports Development (Licensing) Regulations 2019. Both pieces of legislation came into force on 1 March 2019.

The Regulations require companies to apply for a licence at least 90 days before any international sporting event, and at least 30 days before any local sporting event.^[5]

A licence will cost RM1,000 for an international event and RM500 for a local event.^[6]

The Commissioner may impose conditions for the issuance of the licence,^[7] which may be revoked in the event the company fails to comply.^[8]

Failure to apply for a licence will be punishable with a fine of between RM50,000 and RM500,000, or a maximum jail term of five years, or both.^[9] Officers^[10] of the company may also be charged severally or jointly for the same offence.^[11]

The penalties introduced by the 2018 Amendment Act, in particular, the personal liability of the officer of the company, will certainly be more effective than imposing penalties solely on the company for any breach committed under the Act.

Jessica Kew Jia Sin (kjs@lh-ag.com)

If you have any queries, please contact the author or her team partner [Ooi Bee Hong \(obh@lh-ag.com\)](mailto:obh@lh-ag.com).

Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

T +603 6208 5888

F +603 6201 0122/0136

E enquiry@lh-ag.com

W www.lh-ag.com

Published by the Corporate Department

© Lee Hishammuddin Allen & Gledhill. All rights reserved. The views and opinions attributable to the authors or editor of this publication are not to be imputed to the firm, Lee Hishammuddin Allen & Gledhill. The contents of this publication are intended for purposes of general information and academic discussion only. It should not be construed as legal advice or legal opinion on any fact or circumstance.

[Feedback](#)

[Unsubscribe](#)

[1]

[Act 576]

[2]

“sporting activity”, in relation to a sport, includes —

- (a) the organization of competitions, seminars, clinics or courses for a sport;
- (b) the sending of participants to sporting competitions or events; and
- (c) any other activity ancillary or related to a sport.

[3]

Section 36(1)

[4]

“Klang Marathon Organisers to Face Legal Action”, *New Straits Times* (11 December 2017) <<https://www.nst.com.my/news/nation/2017/12/313297/klang-marathon-organisers-face-legal-action>>

[5]

Regulation 2(2)

[6]

Schedule in the Regulations

[7]

Regulation 3(5)

[8]

Regulation 5(1)

[9]

Section 36(4)

[10]

The reference for officer includes a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the company or anyone purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the company or was assisting in such management

[11]

Section 36(5)