

No. S 3

CONSTITUTION OF BRUNEI DARUSSALAM
{Order made under Article 83(3)}

CONTRACTS ACT (AMENDMENT) ORDER, 2016

ARRANGEMENT OF SECTIONS

Section

1. Citation
 2. Insertion of new Chapter VIIA into Chapter 106
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CONSTITUTION OF BRUNEI DARUSSALAM
(Order made under Article 83(3))

CONTRACTS ACT (AMENDMENT) ORDER, 2016

In exercise of the power conferred by Article 83(3) of the Constitution of Brunei Darussalam, His Majesty the Sultan and Yang Di-Pertuan hereby makes the following Order —

Citation

1. This Order may be cited as the Contracts Act (Amendment) Order, 2016.

Insertion of new Chapter VIIA into Chapter 106

2. The Contracts Act, in this Order referred to as the Act, is amended by inserting the following new Chapter immediately after Chapter VII —

“Chapter VIIA

Scholarship Agreements

Application to all scholarship agreements

100A. This Chapter applies to all scholarship agreements entered into before or after the date of commencement of the Contracts Act (Amendment) Order, 2016.

Interpretation

100B. In this Chapter, unless the context otherwise requires —

“appropriate authority” means the Government, a statutory authority or an approved educational institution;

“approved educational institution” means any institution or body declared as such by the Minister under section 100C;

“scholarship agreement” means any contract or agreement between an appropriate authority and any person (in this Order referred to as a “scholar”) with respect to, any scholarship, award, bursary, loan, sponsorship or appointment to a course of study, the provision of leave with or without pay, or any other facility, whether granted directly by the appropriate authority, or by any other person or body, or by any government outside Brunei Darussalam, for the purpose of education or learning of any description;

“statutory authority” means a body corporate established by or under any written law to perform or discharge any public function;

“surety” means a person referred to as a surety, or as a guarantor, or by any other corresponding term, in a scholarship agreement.

Approved educational institution

100C. The Minister of Finance may, by notification published in the *Gazette*, declare any institution or body, whether corporate or unincorporate, to be an approved educational institution for the purposes of this Act.

Validity of scholarship agreement

100D. Notwithstanding anything to the contrary contained in the Act, no scholarship agreement shall be invalidated on the ground that —

(a) the scholar entering into the agreement is not of the age of majority;

(b) the agreement is contrary to any provision of any written law in force relating to moneylenders; or

(c) the agreement lacks consideration.

Remedy in event of breach

100E. Where a scholarship agreement has been breached by a scholar —

(a) if a sum is named in the agreement as the amount to be paid in case of such breach, notwithstanding anything to the contrary contained in this Act, the scholar and the surety shall be liable jointly and severally to pay and the appropriate authority shall be entitled to be paid the whole of the sum whether or not actual damage or loss has been caused by the breach, and no deduction shall be made from the sum on account of any partial period or service performed by the scholar on completion of his course of study; or

(b) if no such sum is mentioned in the scholarship agreement, the scholar and the surety shall be jointly and severally liable to pay and the appropriate authority shall be entitled to be paid —

(i) the whole amount expended by the appropriate authority under the agreement; and

(ii) the whole of such further amount as it will cost the appropriate authority or another authority designated by

it to engage a person with qualifications and experience similar to those which were to be obtained by the scholar to perform the services required of the scholar on the completion of his course or study for the period specified in the scholarship agreement.”.

Made this 18th. day of Rabiulakhir, 1437 Hijriah corresponding to the 28th. day of January, 2016 at Our Istana Nurul Iman, Bandar Seri Begawan, Brunei Darussalam.

HIS MAJESTY
THE SULTAN AND YANG DI-PERTUAN
BRUNEI DARUSSALAM