



Prime Minister Datuk Seri Anwar Ibrahim speaking in the Dewan Rakyat yesterday, BERNAMA PIC

FEDERAL SPECIAL GRANT

'GOVT RESPECTS SABAH ENTITLEMENT RULING'

Best interests of Sabah and federation will be considered, says Anwar

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THE federal government respects the Kota Kinabalu High Court's decision on Sabah's revenue entitlement.

"We take note of the Kota Kinabalu High Court's decision on Oct 17 concerning the review of the federal special grant for Sabah.

"The Madani government respects the legal process and will examine the written grounds of the judgment, once they are available, before taking any action.

"This will be done based on the advice of the attorney-general and in the best interests of Sabah and Malaysia as a whole," he said during a special session in the Dewan Rakyat yesterday.

Anwar, who is also finance minister, said 13 of Sabah's issues related to the Malaysia Agreement 1963 (MA63) had been resolved under the Technical Committee of the Malaysia Agreement 1963 Implementation Action Council, chaired by Deputy Prime Minister Datuk Seri Fadillah Yusof.

They include the transfer of regulatory authority for electricity and Sabah Electricity Sdn Bhd to the Sabah government.

"However, even after the transfer, the federal government continues to provide RM1.2 billion to ensure uninterrupted electricity supply in Sabah.

"The Madani government has also recognised the Public Works Department, the Drainage and Irrigation Department and the Sabah Water Department as technical departments under Treasury Instruction 182."

He said the authority to approve projects valued up to RM50 million had been devolved to Sabah's technical departments.

Last Friday, the Kota Kinabalu High Court ruled that the federal and Sabah governments must review the Sabah Special Grant from 1974 to 2022, pursuant to Article 112D of the Constitution.

This came after the Sabah Law

Society filed a judicial review in 2022, alleging that the federal government had breached the Constitution by failing to review Sabah's revenue share every five years since 1974.

The special grant review is meant to give effect to the federation's obligation to make the 40 per cent entitlement payment to Sabah under Article 112C, read with subsection (1) of Section 2 of Part IV of the 10th Schedule of the Constitution, for each financial year from 1974 to 2021.

The grant review must be conducted within 90 days and an agreement must be reached within 180 days from the date of the order.

The Attorney-General's Chambers said it would study the judgment before determining the next course of action.

Meanwhile, Anwar said the federal and Sabah governments were formulating a new mechanism to calculate the special grants.

He said reviews had been carried out and gazetted in 2022, 2023 and 2025, in accordance with Article 112D of the Constitution.

In 2022, he said, the grant was increased to RM125.6 million, RM300 million in 2023 and RM600 million in 2025.