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## **No Judgment Interest to Competing Claimants in Land Acquisition**

*Bungsar Hill Holdings Sdn Bhd v Damansara Realty Berhad*<sup>[1]</sup>



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The Federal Court has recently held that the Land Acquisition Act 1960 (“**Acquisition Act**”), as a specific statute with specific remedies, does not allow other remedies such as pre-judgment and post-judgment interest to be awarded unless provided by the Acquisition Act itself.

A dispute arose between Bungsar Hill, as registered proprietor of a piece of land which was compulsorily acquired, and its lessee, Damansara Realty, as to which of them was entitled to the compensation for the compulsory acquisition. The Land Administrator deposited the compensation sum together with late payment charges into court. It was determined that Bungsar Hill, as the registered proprietor, is entitled to receive the compensation with the late payment charges.

Bungsar Hill sought to make Damansara Realty pay pre-judgment and post-judgment interest, as would be awarded in civil cases,<sup>[2]</sup> on the sums deposited into court for the period that Bungsar Hill was deprived of the compensation. The High Court had allowed the interest claim, but was reversed by the Court of Appeal.

The Federal Court has recently affirmed the decision of the Court of Appeal and held that Damansara Realty is not liable to pay pre-judgment and post-judgment interest on the grounds, among others, that the compensation sum was not a debt owed by Damansara Realty to Bungsar Hill and the order for the release of monies deposited into court is not a “judgment” against Damansara Realty. The Federal Court also held that the Acquisition Act only envisages for late payment charges to be levied on the Land Administrator and does not contemplate for the same to be imposed on any other party, particularly a person interested.

This decision affirmed the principle of interpretation that where a specific remedy is provided by statute, it necessarily excludes any other remedy not provided for by that statute. It also drew certainty in

that judgment interest commonly awarded in civil cases has no application under the Acquisition Act.

**Ho Ai Ting** and **Dayana Najwa Binti Jainon** (Pupil-in-Chambers)

If you have any query concerning compulsory land acquisition, please contact our partners [Rosli Dahlan](mailto:rd@lh-ag.com) ([rd@lh-ag.com](mailto:rd@lh-ag.com)) or [Ho Ai Ting](mailto:hat@lh-ag.com) ([hat@lh-ag.com](mailto:hat@lh-ag.com)).

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[\[1\]](#)

[2019] 4 CLJ 429

[\[2\]](#)

Civil Law Act 1956, s 11; Rules of Court 2012, O 42 r 12 and O 90 r 6; and s 25 and Item 7 of Schedule to the Courts of Judicature Act 1964