

Dewan Negara Passes the Environmental Quality (Amendment) Bill 2023

On 4 April 2024, during the First Meeting of the Third Session of the Fifteenth Parliament, the Dewan Negara passed the Environmental Quality (Amendment) Bill 2023 (**Bill**). The Bill aims to update the Environmental Quality Act 1974 (**Act**).

“[B]usinesses should take note of the imminent introduction of stricter penalties and more severe consequences and enhance their compliance levels.”



The main overarching change is the substantial increase in penalties for various offences. See the table below for some examples:

No.	Offence	Existing Penalty	Amended Penalty
1.	Failure to comply with the terms and conditions of a licence under Section 16(1) of the Act.	Maximum fine of RM25,000; maximum imprisonment term of 2 years.	Fine not less than RM25,000 and not more than RM250,000; maximum imprisonment term of 5 years.
2.	Failure to comply with licensing requirements of prescribed premises and prescribed conveyance under Section 18(1) or (1A) of the Act.	Maximum fine of RM50,000; maximum imprisonment term of 2 years.	Fine not less than RM25,000 and not more than RM250,000; maximum imprisonment term of 5 years.
3.	Noise pollution under Section 23(1) of the Act.	Maximum fine of RM100,000; maximum imprisonment term of 5 years (unchanged).	Fine not less than RM10,000 and not more than RM250,000.
4.	Soil pollution under Section 24(1) of the Act.	Maximum fine of RM100,000; maximum imprisonment term of 5 years (unchanged).	Fine not less than RM50,000 and not more than RM500,000.
5.	Pollution of inland waters under Section 25(1) of the Act.	Maximum fine of RM100,000; maximum imprisonment term of 5 years.	Mandatory term of imprisonment not exceeding 5 years and a fine not less than RM50,000 and not more than RM10 million.
6.	Discharge of oil into Malaysian waters under Section 27(1) of the Act.	Maximum fine of RM500,000; maximum imprisonment term of 5 years (unchanged).	Fine not less than RM100,000 and not more than RM10 million.
7.	Discharge of wastes into Malaysian waters under Section 29(1) of the Act.	Maximum fine of RM500,000; maximum imprisonment term of 5 years (unchanged).	Fine not less than RM50,000 and not more than RM10 million.
8.	Open burning under Section 29A of the Act.	Maximum fine of RM500,000; maximum imprisonment term of 5 years (unchanged).	Fine not less than RM25,000 and not more than RM1 million.

9.	Failure to comply with a notice to install, operate, etc. under Section 31(1) or (2) of the Act.	Maximum of RM25,000; maximum imprisonment term of 2 years.	Fine not less than RM50,000 and not more than RM1 million; maximum imprisonment term of 5 years.
10.	Failure to prepare an environmental impact assessment report under Section 34A of the Act.	Maximum fine of RM500,000; maximum imprisonment term of 5 years.	Mandatory term of imprisonment not exceeding 5 years and a fine of not less than RM100,000 and not more than RM1 million.
11.	Dealing with scheduled wastes under Section 34B of the Act.	Mandatory term of imprisonment not exceeding 5 years (unchanged) and a fine not more than RM500,000.	Fine not less than RM100,000 and not more than RM10 million.



The general penalty for any offence where no penalty is specifically provided is also increased from RM10,000 or a term of imprisonment not exceeding 2 years (which remains unchanged) to a fine not less than RM5,000 and not more than RM250,000.

Furthermore, the power to compound any offence that is compoundable under regulations made under the Act at a sum not exceeding RM2,000 will be amended to a sum not exceeding 50% of the maximum fine.

All in all, businesses should take note of the imminent introduction of stricter penalties and more severe consequences and enhance their compliance levels.

If you have any queries, please contact the author, **Hoi Jack S'ng** (hjs@lh-ag.com).



HOI JACK S'NG

Partner
Dispute Resolution |
Regulatory & Compliance
E: hjs@lh-ag.com

TAN HOOI PING

Partner
Employment & Industrial
Relations
E: hpt@lh-ag.com

JOYCE ONG KAR YEE

Partner
Projects, Energy &
Infrastructure | Corporate |
Regulatory & Compliance
E: oky@lh-ag.com

NURUL AISYAH HASSAN

Partner
Employment & Industrial
Relations
E: nah@lh-ag.com