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FORECLOSURE OF
LANDED PROPERTIES
IN KELANTAN
WITH REFERENCE
TO THE KELANTAN
MALAY RESERVATION ENACTMENT

By

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1.1 PROLOGUE

Foreclosure of landed properties in Kelantan has become more prominent of late due to the inability of chargors to meet the conditions stipulated in the charge. This dissertation shall highlight the problems faced by chargees in Kelantan in recovering collaterals pledged by chargors and would endeavour to explain how this situation has come about.

To understand this complex problem we have to examine the relevant factors influencing land dealings in Kelantan. Amongst the most prominent is the Kelantan Malay Reservation Enactment 1930 which has been styled under the Federated Malay States Malay Reservation Enactment 1913. We shall explain why the Enactment was enacted and it's effect on land dealings in Kelantan. We shall also explain the relevant requirements of the National Land Code 1965 pertaining to foreclosure and the procedures adopted by the land office and High Court in auction proceedings.

A general background to land management and a brief history of Kelantan that leads to the formation of Malay reservation and the introduction of the Torrens system shall also be highlighted.

The aspirations of the New Economic Policy postulated in the early seventies witnessed bumiputras especially from Kelantan to venture into business and consequently pledged their lands as collaterals for financing. Those failed to repay their loans led to foreclosure proceedings and subsequent auction sales of their property.