

SPEECH
YB DATO' SERI KONG CHO HA
MINISTER OF TRANSPORT MALAYSIA
ON THE LAUNCHING OF THE INTERIM OWNERSHIP TRANSFER SYSTEM
2ND APRIL 2012

Thank you

YBhg. Datuk Tony Khor

President

**The Federation of Motor and Credit Companies Association of Malaysia
(FMCCAM)**

YBhg. Dato' Solah Mat Hassan

Director General

Road Transport Department Malaysia

Mr. Ganesh Kumar Bangah

CEO

e-Auto Sdn. Bhd.

YBhg. Dato' Wee Hong

President

Malaysian Motorcycle and Scooter Dealers Association (MMSDA)

Honorary Guests

State Presidents and representatives of the

**The Federation of Motor and Credit Companies Association of Malaysia
(FMCCAM)**

**Senior Officers from the Ministry of Transport and the Road Transport
Department,**

Ladies and gentlemen,

I would like to convey my sincere and heartfelt appreciation to the FMCCAM for inviting me to officiate this event and launch the Interim Ownership Transfer System. This pertinent event marks the synergy between the public and private sector collaboration in providing a better delivery system to the people and stake holders.

In normal circumstances, when someone sells a car, the vehicle is handed over to the Used Car Company based on trust upon the completion of all financial transactions. However, people are unaware that Used Car Companies are only the intermediaries for two parties, the seller and the buyer. They have no wish to own the vehicle. During the time frame of taking the vehicle and reselling it, the vehicles are free to be utilised, there are no jurisdictions. This is when the owners who still have their names registered on the vehicle are inundated with all kinds of problems, such as summons or accidents.

The most frequent complaint received with regards to this issue is that the Used Car Companies had absconded with their vehicles and due to the fact that the

installments or settlement were not made, the owners are blacklisted by Financial Institutions even though the owner is understood to have sold the vehicle.

Ladies and gentlemen,

In order to override this pertinent issue, the FMCCAM with the collaboration of the Road Transport Department and the Ministry of Transport had developed the Interim Ownership Transfer System which was the brainchild of FMCCAM to facilitate the sales and purchase of vehicles. Under this initiative, owners who trade in their vehicles to the Used Car Company will transfer the ownership temporarily to the Used Car Company which they are dealing with. However, since the transfer is not for the purpose of purchase, the transfer is done for an interim period which is 6 (six) months until the vehicle is sold. If within that stipulated time, the vehicle is not sold, then the Used Car Company will be given permanent ownership to the vehicle and the Interim status is automatically withdrawn.

I was also made to understand that the MMSDA are also ready to implement this system in the sales and purchase of motorcycles and scooters in the country. This is a good move and I would like to invite the Association for further discussions and collaboration with the Ministry on that matter.

Ladies and gentlemen,

In order to undertake this initiative, the Ministry of Transport has appointed e-Auto Sdn. Bhd. and MyEG Services Bhd. to develop and offer the system to Used Car Companies. There will be a nominal charge of RM10.00 for every transaction to the government. The service providers will also charge a fee for their services. These costs will be borne by the Used Car Companies and in no way the owners or sellers will be charged. As proof of the interim transfer transaction, a confirmation slip will be issued for the safekeeping of the seller or owner.

In addition, as future initiatives, the Road Transport Department is in the process of developing applications for all services to be offered online. Among others, is the transfer of ownership, this transaction once online, does not

require the owners to come to The Road Transport Department. This initiative is in line with the government's efforts to provide 90 % of its services online by 2015.

Ladies and gentlemen,

It is my hope that with the implementation of the Interim Ownership Transfer System, the credibility of the used car industry will be further enhanced. To the FMCCAM members, I would like to take this opportunity to remind all of you to continue providing the best services to your customers, in addition, it is obligatory that all sales and purchase transactions are conducted with a high degree of responsibility as the image of the government is at stake.

To the members of the public who wish to sell or trade in their vehicles, I would like to emphasise due diligence in ensuring transaction with registered Used Car Companies which will be implementing the Interim Ownership Transfer System or otherwise they can choose to come directly to the Road Transport Department to undertake their transaction. They must make sure that the transactions are completed properly and the transaction slip has been issued; at

all times avoid the services of middle persons. The public are most welcome to any of our Road Transport Department Offices for consultation on this matter.

Ladies and gentlemen,

I hereby officially launch the Interim Ownership Transfer System.

Thank you.