

THE STATUTES OF THE REPUBLIC OF SINGAPORE

**MOTOR VEHICLES (THIRD-PARTY RISKS
AND COMPENSATION) ACT**

(CHAPTER 189)

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Motor Vehicles (Third-Party Risks and Compensation) Act

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An Act to provide against third-party risks arising out of the use of motor vehicles and for the payment of compensation in respect of death or bodily injury arising out of the use of motor vehicles and for matters incidental thereto.

[5th February 1960]

Short title.

1. This Act may be cited as the Motor Vehicles (Third-Party Risks and Compensation) Act.

Inter-pretation.
21/73.

2. In this Act, unless the context otherwise requires —

“Deputy Commissioner of Police” includes any police officer authorised by him in writing by name or office to exercise the powers vested by this Act in the Deputy Commissioner of Police;

“motor vehicle” means a mechanically propelled vehicle intended or adapted for use on roads;

“policy of insurance” includes a cover note;

Cap. 260.

“Public Trustee” means the Public Trustee appointed under the provisions of the Public Trustee Act and includes an Assistant Public Trustee appointed under the provisions of that Act;

Cap. 276.

“Registrar” means the Registrar of Vehicles or a Deputy or Assistant Registrar appointed under the provisions of the Road Traffic Act;

“road” means any public road and any other road to which the public has access, and includes bridges over which a road passes;

“use” means use on any road.

Users of motor vehicles to be insured against third-party risks.

3.—(1) Subject to the provisions of this Act, it shall not be lawful for any person to use or to cause or permit any other person to use a motor vehicle unless there is in force in relation to the use of the motor vehicle by that person or that other person, as the case may be, such a policy of insurance or such a security in respect of third-party risks as complies with the requirements of this Act.

(2) If a person acts in contravention of this section, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 3 months or to both and a person convicted of

an offence under this section shall (unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification) be disqualified for holding or obtaining a driving licence under the Road Traffic Act for a period of 12 months from the date of the conviction: Cap. 276

Provided that a person shall not be guilty of an offence under this section if he proves —

- (a) that the motor vehicle did not belong to him and was not in his possession under a contract of hiring or loan;
- (b) that he was using the vehicle in the course of his employment; and
- (c) that he neither knew nor had reason to believe that there was not in force in relation to such user a policy of insurance or such security as complies with the provisions of this Act.

(3) A person disqualified by virtue of a conviction under this section or of an order made thereunder for holding or obtaining a driving licence shall for the purposes of Part II of the Road Traffic Act be deemed to be disqualified by virtue of a conviction under the provisions of that Part.

(4) Notwithstanding any Act prescribing a time within which proceedings may be brought before a court, proceedings for an offence under this section may be brought —

- (a) within a period of 6 months from the date of the commission of the alleged offence; or
- (b) within a period which exceeds neither 3 months from the date on which it came to the knowledge of the prosecutor that the offence had been committed nor one year from the date of the commission of the offence,

whichever period is the longer.

(5) This section shall not apply —

- (a) to a vehicle owned by the Government or the government of Malaysia or of any State thereof or by any visiting forces lawfully present in Singapore, on any occasion upon which the vehicle is being used by any person authorised

by any of such governments or by any such forces, as the case may require, to use the vehicle on such occasion;

- (b) to a vehicle owned by a person who has deposited and keeps deposited with the Accountant-General the sum of \$125,000 at any time when the vehicle is being driven by the owner or by an employee of the owner in the course of his employment or is otherwise subject to the control of the owner; or
 - (c) to any vehicle at any time when it is being driven for police purposes by or under the direction of a police officer or by a person employed by the Deputy Commissioner of Police or by or under the direction of the Registrar or a person authorised by him to drive such vehicle.
- (6) This section shall not extend to invalid carriages.

Require-
ments in
respect of
policies and
securities.
37/80.

4.—(1) In order to comply with the requirements of this Act, a policy of insurance must, subject to subsection (2), be a policy which —

- (a) is issued by an insurer who at the time the policy is issued is lawfully carrying on motor insurance business in Singapore; and
- (b) insures such person, persons or classes of persons as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the motor vehicle.

(2) The policy shall not, by virtue of subsection (1) (b), be required to cover —

- (a) liability in respect of the death, arising out of and in the course of his employment, of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment; or
- (b) any contractual liability.

(3) Where any payment is made (whether or not with an admission of liability) by—

- (a) an approved insurer under or in consequence of a policy issued under this Act;
- (b) the owner of a motor vehicle in relation to the user of which a security under subsection (6) is in force; or
- (c) the owner of a motor vehicle who has made a deposit under section 3,

in respect of the death of or bodily injury to any person arising out of the use of a motor vehicle on a road, and the person who has so died or been bodily injured has, to the knowledge of the approved insurer or the owner, as the case may be, received treatment at a hospital, whether as an in-patient, or as an out-patient, in respect of the injury so arising, there shall also be paid by the approved insurer or the owner to the hospital the expenses reasonably incurred by the hospital in affording that treatment, after deducting from those expenses any moneys actually received by the hospital in payment of a specific charge for that treatment:

Provided that the amount to be paid by the approved insurer or the owner shall not exceed \$400 for each person so treated as an in-patient or \$40 for each person so treated as an out-patient.

For the purposes of this subsection —

“hospital” means an institution (not being an institution carried on for profit) which provides medical or surgical treatment for in-patients; and

“expenses reasonably incurred” means —

- (i) in relation to a person who receives treatment at a hospital as an in-patient, an amount for each day the person is maintained in the hospital representing the average daily cost for each in-patient of the maintenance of the hospital and the staff thereof and the maintenance and treatment of the in-patients therein:

Provided that in respect of a Government hospital which admits paying patients, “expenses reasonably incurred”

means the amount chargeable to a member of the general public, in a ward of the class occupied by the person who received treatment, in accordance with the scale of fees laid down under the provisions of any written law relating thereto; and

- (ii) in relation to a person who receives treatment at a hospital as an out-patient, reasonable expenses actually incurred.

(4) Notwithstanding anything in any Act, a person issuing a policy of insurance under this section shall be liable to indemnify the persons or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of those persons or classes of persons.

(5) A policy shall be of no effect for the purposes of this Act unless there is issued by the insurer to the person by whom the policy is effected a certificate (referred to in this Act as a certificate of insurance) in the prescribed form and containing such particulars of any conditions subject to which the policy is issued and of any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

(6) In order to comply with the requirements of this Act, a security shall —

- (a) be given either by an insurer approved by the Minister or by some body of persons approved by the Minister which carries on the business of giving securities of a like kind; and
- (b) consist of an undertaking by the giver of the security to make good, subject to any conditions specified therein and up to the amount in the case of an undertaking relating to the use of public service vehicles of not less than \$225,000 and in any other case of not less than \$45,000, any failure by the owner of the vehicle or such other persons or classes of persons as may be specified in the security duly to discharge any

such liability as is required to be covered by a policy of insurance under this section which may be incurred by him or them.

(7) A security shall be of no effect for the purposes of this Act unless there is issued by the person giving the security to the persons to whom it is given a certificate (referred to in this Act as a certificate of security) in the prescribed form and containing such particulars of any conditions subject to which the security is issued and of any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

(8) The Minister may require the insurer to furnish such returns and information relating to the motor vehicle insurance business carried on by the insurer as the Minister may require.

5.—(1) Where after 1st March 1981 a person uses a motor vehicle in circumstances such that under section 3 there is required to be in force in relation to his use of it such a policy of insurance or security as is mentioned in section 3 (1), then, if any other person is carried in or upon the motor vehicle while the user is so using it, any antecedent agreement or understanding between them (whether intended to be legally binding or not) shall be of no effect so far as it purports or might be held —

Exclusion of liability in respect of passengers to be of no effect. 37/80.

- (a) to negative or restrict any such liability of the user in respect of persons carried in or upon the motor vehicle as is required by section 4 to be covered by a policy of insurance; or
- (b) to impose any conditions with respect to the enforcement of any such liability of the user.

and the fact that a person so carried has willingly accepted as his the risk of negligence on the part of the user shall not be treated as negating any such liability of the user.

(2) For the purposes of this section, references to a person being carried in or upon a motor vehicle include references to a person entering or getting on to, or alighting from, the motor vehicle, and the reference to an antecedent agreement is to one made at any time before the liability arose.

Payment of compensation.

6.—(1) Where any payment exceeding \$500, other than a liquidated sum specified in a policy of insurance, is made by way of compensation by an approved insurer or the owner of a motor vehicle in respect of the death or bodily injury to any person arising out of the use of a motor vehicle on a road, that payment shall be made to the Public Trustee as trustee for the persons entitled to the benefit thereof.

(2) The Public Trustee may where he considers that any payment made to him under subsection (1) is manifestly inadequate require the parties to obtain the approval of the court before accepting payment.

(3) The moneys received by the Public Trustee under subsection (1) shall be distributed by him after payment of all costs and fees directly to the persons entitled thereto in accordance with the law for the time being in force and with any rules made under this Act. [5]

Certain conditions in policies or securities to be of no effect.

7. Any condition in a policy or security issued or given for the purposes of this Act providing that no liability shall arise under the policy or security or that any liability so arising shall cease in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy or security shall be of no effect in connection with such claims as are mentioned in section 4 (1) (b):

Provided that nothing in this section shall be taken to render void any provision in a policy or security requiring the person insured or secured to repay to the insurer or the giver of the security any sums which the latter may have become liable to pay under the policy or security and which have been applied to the satisfaction of the claims of third parties. [6]

Avoidance of restrictions on scope of policies covering third-party risks.

8. Where a certificate of insurance has been issued under section 4 (5) to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured thereby by reference to any of the following matters:

- (a) the age or physical or mental condition of persons driving the vehicle;

- (b) the condition of the vehicle;
- (c) the number of persons that the vehicle carries;
- (d) the weight or physical characteristics of the goods that the vehicle carries;
- (e) the times at which or the areas within which the vehicle is used;
- (f) the horse-power or value of the vehicle;
- (g) the carrying on the vehicle of any particular apparatus; or
- (h) the carrying on the vehicle of any particular means of identification other than any means of identification required to be carried by or under the Road Traffic Act,

Cap. 276.

shall as respects such liabilities as are required to be covered by a policy under section 4 (1) (b) be of no effect:

Provided that nothing in this section shall require an insurer to pay any sum in respect of the liability of any person otherwise than in or towards the discharge of that liability and any sum paid by an insurer in or towards the discharge of any liability of any person which is covered by the policy by virtue only of this section shall be recoverable by the insurer from that person. [7

9.—(1) If after a certificate of insurance has been issued under section 4 (5) to the person by whom a policy has been effected judgment in respect of any such liability as is required to be covered by a policy under section 4 (1) (b) (being a liability covered by the terms of the policy) is obtained against any person insured by the policy then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to this section, pay to the Public Trustee as trustee for the persons entitled thereto any sum payable thereunder in respect of the liability including any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any written law relating to interest on judgments.

Duty of insurers to satisfy judgments against persons insured in respect of third-party risks.

(2) Notwithstanding subsection (1) providing for the payment to the Public Trustee, the right of action thereby created shall vest in the persons entitled to the benefit of the judgment payable thereunder.

(3) No sum shall be payable by an insurer under subsections (1) and (2) —

(a) in respect of any judgment unless before or within 7 days after the commencement of the proceedings in which the judgment was given the insurer had notice of the bringing of the proceedings;

(b) in respect of any judgment so long as execution thereon is stayed pending an appeal; or

(c) in connection with any liability if before the happening of the event which was the cause of the death or bodily injury giving rise to the liability the policy was cancelled by mutual consent or by virtue of any provision contained therein and either —

(i) before the happening of that event the certificate was surrendered to the insurer or the person to whom the certificate was issued made a statutory declaration stating that the certificate had been lost or destroyed;

(ii) after the happening of that event but before the expiration of a period of 14 days from the taking effect of the cancellation of the policy the certificate was surrendered to the insurer or the person to whom the certificate was issued made such a statutory declaration as aforesaid; or

(iii) either before or after the happening of that event but within the period of 14 days the insurer commenced proceedings under this Act in respect of the failure to surrender the certificate.

(4) No sum shall be payable by an insurer under subsections (1), (2) and (3) if in an action commenced before or within 3 months after the commencement of the proceedings in which the judgment was given he has obtained a declaration that apart from any provision contained in the policy he is entitled to avoid it on the ground that it was

obtained by the non-disclosure of a material fact or by a representation of fact which was false in some material particular or, if he has avoided the policy on that ground, that he was entitled to do so apart from any provision contained in it:

Provided that an insurer who has obtained such a declaration in an action shall not thereby become entitled to the benefit of this subsection as respects any judgment obtained in proceedings commenced before the commencement of that action unless before or within 7 days after the commencement of that action he has given notice thereof to the person who is the plaintiff in those proceedings specifying the non-disclosure or false representation on which he proposes to rely and any person to whom notice of such an action is so given shall be entitled if he thinks fit to be made a party thereto.

(5) If the amount which an insurer becomes liable under this section to pay in respect of a liability of a person insured by a policy exceeds the amount for which he would apart from this section be liable under the policy in respect of that liability, he shall be entitled to recover the excess from that person.

(6) In this section —

“material” means of such a nature as to influence the judgment of a prudent insurer in determining whether he will take the risk and if so at what premium and on what conditions; and

“liability covered by the terms of the policy” means a liability which is covered by the policy or which would be so covered but for the fact that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy.

(7) In this Act references to a certificate of insurance in any provision relating to the surrender or the loss or destruction of a certificate of insurance shall in relation to policies under which more than one certificate is issued be construed as references to all the certificates and shall where any copy has been issued of any certificate be construed as including a reference to that copy.

(8) Every judgment in respect of any such liability as is required to be covered by a policy under section 4 (1) (b) shall provide that the sums payable under the judgment shall be paid to the Public Trustee as trustee for the persons entitled to the benefit of the judgment.

(9) The moneys received by the Public Trustee under a judgment in accordance with subsection (1) shall be distributed by him, after payment of all costs and fees, directly to the persons entitled in accordance with the judgment of the court and with any rules made under this Act. [8

Rights of
third parties
against
insurers.

10.—(1) Where under any policy issued for the purposes of this Act a person (referred to in this Act as the insured) is insured against liabilities to third parties which he may incur then —

(a) in the event of the insured becoming bankrupt or making a composition or arrangement with his creditors; or

(b) in the case of the insured being a company in the event of a winding-up order being made or a resolution for a voluntary winding up being passed with respect to the company or of a receiver or manager of the company's business or undertaking being duly appointed or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge,

if either before or after that event any such liability as aforesaid is incurred by the insured his rights against the insurer under the policy in respect of the liability shall, notwithstanding anything in any written law to the contrary, be transferred to and vest in the third party to whom the liability was so incurred.

Cap. 20.

(2) Where an order is made under section 124 of the Bankruptcy Act for the administration in bankruptcy of the estate of a deceased debtor then if any debt provable in bankruptcy is owing by the deceased in respect of a liability against which he was insured under a policy issued for the purposes of this Act as being a liability to a third party the deceased debtor's rights against the insurer under the policy

in respect of that liability shall notwithstanding anything in the Bankruptcy Act be transferred to and vest in the person to whom the debt is owing. Cap. 20.

(3) Any condition in a policy issued for the purposes of this Act purporting directly or indirectly to avoid the policy or to alter the rights of the party thereunder upon the happening to the insured of any of the events specified in subsection (1) (a) or (b) or upon the making of an order under section 124 of the Bankruptcy Act in respect of his estate shall be of no effect.

(4) Upon a transfer under subsection (1) or (2), the insurer shall, subject to section 12, be under the same liability to the third party as he would have been under to the insured but —

(a) if the liability of the insurer to the insured exceeds the liability of the insured to the third party nothing in this Act shall affect the rights of the insured against the insurer in respect of the excess; and

(b) if the liability of the insurer to the insured is less than the liability of the insured to the third party nothing in this Act shall affect the rights of the third party against the insured in respect of the balance.

(5) For the purposes of this section and of sections 11 and 12, the expression “liabilities to third parties” in relation to a person insured under any policy of insurance shall not include any liability of that person in the capacity of insurer under some other policy of insurance.

(6) This section and sections 11 and 12 shall not apply —

(a) where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company; or

(b) to any case to which section 19 (1) and (2) of the Workmen’s Compensation Act applies. [9 Cap. 354.

11.—(1) Any person against whom a claim is made in respect of any such liability as is required to be covered by a policy under section 4 (1) (b) shall on demand by or on behalf of the person making the claim state whether or not Duty to give necessary information to third parties.

he was insured in respect of that liability by any policy having effect for the purposes of this Act or would have been so insured if the insurer had not avoided or cancelled the policy and if he was or would have been so insured give such particulars with respect to that policy as were specified in the certificate of insurance issued in respect thereof under section 4 (5).

(2) In the event of —

(a) any person becoming bankrupt or making a composition or arrangement with his creditors or in the event of an order being made under section 124 of the Bankruptcy Act in respect of the estate of any person; or

(b) a winding-up order being made or a resolution for a voluntary winding up being passed with respect to any company or a receiver or manager of the company's business or undertaking being duly appointed or possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge,

it shall be the duty of the bankrupt debtor, personal representative of the deceased debtor or company and, as the case may be, of the Official Assignee, trustee, liquidator, receiver or manager or person in possession of the property, to give, at the request of any person claiming that the bankrupt debtor, deceased debtor or company is under a liability to him, such information as may reasonably be required by him for the purpose of ascertaining whether any rights have been transferred to and vested in him by this Act and for the purpose of enforcing those rights (if any) and any contract of insurance, in so far as it purports whether directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of any such information in the events aforesaid or otherwise to prohibit or prevent the giving thereof in the said events, shall be of no effect.

(3) If the information given to any person in pursuance of subsection (2) discloses reasonable ground for supposing that there have or may have been transferred to him under this Act rights against any particular insurer, that insurer shall be subject to the same duty as is imposed by the said subsection on the persons therein mentioned.

(4) The duty to give information imposed by this section shall include a duty to allow all contracts of insurance, receipts for premiums and other relevant documents in the possession or power of the person on whom the duty is so imposed to be inspected and copies thereof to be taken.

(5) If without reasonable excuse any person fails to comply with this section or wilfully makes any false or misleading statement in reply to any such demand as aforesaid, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months. [10

12. Where a person who is insured under a policy issued for the purposes of this Act has become bankrupt or where in the case of the insured person being a company a winding-up order has been made or a resolution for a voluntary winding up has been passed with respect to the company, no agreement made between the insurer and the insured after liability has been incurred to a third party and after the commencement of the bankruptcy or winding up, as the case may be, nor any waiver, assignment or other disposition made by, or payment made to, the insured after the commencement aforesaid shall be effective to defeat or affect the rights transferred to the third party under this Act but those rights shall be the same as if no such agreement, waiver, assignment, disposition or payment has been made. [11

Settlement between insurers and insured persons.

13. Where a certificate of insurance has been issued under section 4 (5) to the person by whom a policy has been effected, the happening in relation to any person insured by the policy of any such event as is mentioned in section 10 (1) or (2) shall notwithstanding anything in this Act not affect any such liability of that person as is required to be covered by a policy under section 4 (1) (b) but nothing in this section shall affect any rights against the insurer conferred under sections 10, 11 and 12 on the person to whom the liability was incurred. [12

Bankruptcy, etc., of insured person not to affect certain claims by third parties.

14.—(1) No settlement by an insurer in respect of any claim which might be made by a third party in respect of any such liability as is required to be covered by a policy under section 4 (1) (b) shall be valid unless the third party is a party to such settlement.

Further rights of third parties against insurers.

(2) A policy issued under this Act shall remain in force and available for third parties notwithstanding the death of any person insured under section 4 (1) (b) as if the insured person were still alive. [13]

Duty to
surrender
certificate on
cancellation
of policy.

15. Where a certificate of insurance has been issued under section 4 (5) to the person by whom a policy has been effected and the policy is cancelled by mutual consent or by virtue of any provision in the policy, the person to whom the certificate was issued shall, within 7 days from the taking effect of the cancellation, surrender the certificate to the insurer or, if it has been lost or destroyed, make a statutory declaration to that effect and if he fails to do so he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months. [14]

Require-
ments as to
production of
certificate of
insurance or
of security.

16.—(1) Any person driving a motor vehicle on a road shall on being so required by a police officer give his name and address and the name and address of the owner of the motor vehicle and produce his certificate and if he fails to do so he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months:

Provided that if the driver of a motor vehicle within 5 days after the date on which the production of his certificate was so required produces the certificate in person at such police office or police station in Singapore as may have been specified by the driver at the time its production was required he shall not be convicted of an offence under this subsection by reason only of failure to produce his certificate to the police officer.

(2) If in any case where owing to the presence of a motor vehicle on a road an accident occurs involving personal injury to another person the driver of the vehicle does not at the time produce his certificate to a police officer or to some person who having reasonable grounds for so doing has required its production, the driver shall, as soon as possible and in any case within 24 hours of the occurrence of the accident, report the accident at a police office or police

station in Singapore and thereupon produce his certificate and if he fails to do so he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months:

Provided that a person shall not be convicted of an offence under this subsection by reason only of failure to produce his certificate if within 5 days after the occurrence of the accident he produces the certificate in person at such police office or police station in Singapore as may be specified by him at the time the accident was reported.

(3) It shall be the duty of the owner of a motor vehicle to give such information as he may be required by or on behalf of the Deputy Commissioner of Police to give for the purpose of determining whether the motor vehicle was or was not being driven in contravention of section 3 on any occasion when the driver was required under this section to produce his certificate and if the owner fails to do so he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months.

(4) In this section, "produce his certificate" means produce for examination the relevant certificate of insurance or certificate of security or such other evidence that the motor vehicle is not or was not being driven in contravention of section 3 as may be prescribed. [15

17. If any sum is deposited by any person under section 3 or as a condition of approval by the Minister under section 4, no part of that sum shall, so long as any liabilities, being such liabilities as are required to be covered by a policy of insurance under this Act which have been incurred by him, have not been discharged or otherwise provided for, be applicable in discharge of any other liabilities incurred by him. [16

Deposits
under Act.

18.—(1) No person shall directly or indirectly solicit instructions or authority to act on behalf of any other person in respect of the making or commencement of any claim or

Prohibition
of solicitation
in respect of
claims.

action for damages for the death of or bodily injury to any person arising out of the use of a motor vehicle or in respect of the negotiation, compromise or settlement of that claim or action.

(2) No person, other than a public officer or an advocate and solicitor properly acting in the course of his profession, shall directly or indirectly for personal gain make or commence or cause to be made or commenced on behalf of any other person any claim or action for damages for the death of or bodily injury to any person arising out of the use of a motor vehicle or negotiate, settle or compromise that claim or action when made or commenced.

(3) Notwithstanding the provisions of any other written law, any costs payable to a public officer or an advocate and solicitor acting in respect of the matters referred to in subsection (2) shall be taxed and the public officer or advocate and solicitor shall not receive or accept any payment of money for so acting other than the taxed costs.

(4) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding one year or to both.

(5) Any agreement to pay any money other than the taxed costs to any person for work done or to be done or services rendered or to be rendered in respect of the matters referred to in subsection (1) or (2) shall be void and any money so paid whether before or after the commencement of this Act shall be recoverable by action brought in a court by the person who has paid it.

(6) Where it is shown that any money other than taxed costs has been paid to any clerk employed by an advocate and solicitor for work done or to be done or services rendered or to be rendered in respect of the matters referred to in subsection (1) or (2), it shall be presumed in, and for the purposes of, any action against the advocate and solicitor that the money was received by the clerk on behalf of the advocate and solicitor and the money shall be recoverable from the advocate and solicitor. [17

Rules.

19.—(1) The Minister may make rules for prescribing anything which may be prescribed under this Act and

generally for the purpose of carrying this Act into effect and in particular but without prejudice to the generality of this provision may make rules —

- (a) to prescribe the forms to be used for the purposes of this Act;
- (b) as to applications for and the issue of certificates of insurance and any other documents which may be prescribed and as to the keeping of records of documents and the furnishing of particulars thereof or the giving of information with respect thereto to the Minister or to the Deputy Commissioner of Police;
- (c) as to the manner in which moneys received by the Public Trustee under this Act shall be distributed;
- (d) as to the issue of copies of any such certificates or other documents which are lost or destroyed;
- (e) as to the custody, production, cancellation and surrender of any such certificates or other documents;
- (f) for providing that any provisions of this Act shall, in relation to motor vehicles brought into Singapore from a place outside Malaysia by persons making only a temporary stay in Singapore, have effect subject to such modifications and adaptations as may be prescribed;
- (g) with respect to the payment of deposits under this Act and the investment thereof or dealing therewith, the deposit of stocks or other securities in lieu of money, the payment of the interest or dividends from time to time accruing due on any securities in which deposits are for the time being invested and the withdrawal and transfer of deposits.

(2) All rules made under this Act shall be published in the *Gazette* and shall be presented to Parliament as soon as possible after publication and if a resolution is passed pursuant to a motion notice whereof has been given for a sitting day not later than the first available sitting day of Parliament next after the expiry of one month from the date

when the rules are so presented annulling the rules or any part thereof as from a specified date, the rules or such part thereof as the case may be shall thereupon become void as from that date but without prejudice to the validity of anything previously done thereunder or to the making of new rules. [18

Application of this Act to securities.

20. The provisions of this Act shall apply in relation to securities having effect for the purposes of this Act as they apply in relation to policies of insurance and, in relation to any such security as aforesaid, references in the said provisions to being insured, to a certificate of insurance, to an insurer and to persons insured shall be construed respectively as references to the having in force of the security, to the certificate of security, to the giver of the security and to the persons whose liability is covered by the security. [19

Penalty.

21.—(1) Any person who acts in contravention of or fails to comply with any provision of this Act or of any rules made thereunder shall be guilty of an offence and shall be liable on conviction where no special penalty is provided to a fine not exceeding \$500 and in the case of a second or subsequent offence to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months or to both.

(2) If any person acting in contravention of or failing to comply with any provisions of this Act or of any rules made thereunder is a company, the managing director or other manager in Singapore of the company who is privy to the offence shall be liable to the like punishment. [20

Power to exempt.

22. The Minister may, by notification in the *Gazette* from time to time and either generally or for any period stated in the notification and subject to such conditions as may in the notification be stated, exempt from any provision of this Act or of any rules made thereunder any person or class or description of persons or any vehicle or class or description of vehicles. [21