

CHIT FUNDS ACT 1971
(SECTIONS 9(2), 21 AND 61)

CHIT FUNDS (DEPOSITS OF PERCENTAGE OF
PAID-UP CAPITAL AND OF SECURITY)
REGULATIONS 1972

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation
 2. Deposit with Monetary Authority of Singapore
 3. Deposit with bank
 4. Security not to be applied for other purposes
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[14 January 1972]

Citation

1. These Regulations are the Chit Funds (Deposits of Percentage of Paid-up Capital and of Security) Regulations 1972.

Deposit with Monetary Authority of Singapore

2. A chit fund company must at all times have in respect of its business a deposit in cash with the Monetary Authority of Singapore constituted under the Monetary Authority of Singapore Act 1970 to the value of not less than 50% of the paid-up capital of that company and such deposit must be retained by the Authority until the company ceases to hold a licence under the Act.

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Deposit with bank

3. Immediately after the signing of the agreement by the last intending subscriber, the chit fund company must, as security for the due discharge of its duty and liability under the agreement, deposit cash to the value of the chit fund amount or securities guaranteed by the Government valued at the equivalent of the chit fund amount, in such bank as may be approved for that purpose by the Authority.

Security not to be applied for other purposes

4. The security furnished under regulations 2 and 3 must not —
- (a) be liable to be attached in execution of a decree or otherwise; or
 - (b) be alienated in any manner whatsoever and any such alienation by way of transfer or charge, mortgage or other encumbrance is void.