

CONSUMER PROTECTION (FAIR TRADING) ACT 2003
(SECTIONS 41(2) AND 43)

CONSUMER PROTECTION (FAIR TRADING)
(MOTOR VEHICLE DEALER DEPOSITS)
REGULATIONS 2009

ARRANGEMENT OF REGULATIONS

Regulation

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[15 April 2009]

Citation

1. These Regulations are the Consumer Protection (Fair Trading) (Motor Vehicle Dealer Deposits) Regulations 2009.

Definitions

2. In these Regulations —

“financial institution” includes any person whose business is moneylending;

“motor vehicle” has the meaning given by section 2(1) of the Road Traffic Act 1961;

“motor vehicle dealer” means a supplier of motor vehicles;

“motor vehicle sale contract” means a contract between a consumer and a motor vehicle dealer for the sale of a motor vehicle to the consumer.

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Information requirement

3.—(1) A motor vehicle dealer must, before collecting any deposit from a consumer in relation to or in contemplation of a motor vehicle sale contract, inform the consumer in writing of the terms of the refund policy of the motor vehicle dealer in respect of the deposit.

(2) Any ambiguity in the terms of the refund policy provided under paragraph (1) must be interpreted against the motor vehicle dealer.

Retention of deposit by motor vehicle dealer

4.—(1) A motor vehicle dealer must not exercise any right to retain a deposit, or any part of a deposit, paid by a consumer in relation to or in contemplation of a motor vehicle sale contract unless the motor vehicle dealer has complied with regulation 3.

(2) Subject to this regulation, a motor vehicle dealer must not exercise any right to retain a deposit, or any part of a deposit, paid by a consumer in relation to or in contemplation of a motor vehicle sale contract involving financing arranged by the motor vehicle dealer on behalf of the consumer, unless the motor vehicle dealer has —

- (a) within a reasonable time, applied for a loan from a financial institution on behalf of the consumer in respect of the motor vehicle sale contract on the terms agreed by the consumer; and
- (b) if the loan application was rejected by the financial institution, provided the consumer upon his or her request with a written statement from the financial institution in accordance with paragraph (3).

(3) The written statement mentioned in paragraph (2)(b) must contain the following particulars:

- (a) name of the financial institution;
- (b) name of the motor vehicle dealer, its address and the business registration number, company registration number or other equivalent registration number of the motor vehicle dealer;

- (c) name of the buyer, his or her address and his or her NRIC number, FIN number or passport number;
- (d) the make and model of the motor vehicle and its selling price;
- (e) the date when the application for the loan was made;
- (f) the amount of the loan applied for;
- (g) a statement that the loan application has been rejected.

(4) Paragraph (2) does not apply if the motor vehicle dealer proves that the motor vehicle dealer's failure to comply with the requirements of paragraph (2)(a) and (b) did not cause or contribute to the circumstances resulting in the retention of the deposit.

Burden of proof on motor vehicle dealer

5. Section 41 of the Act applies to the requirements mentioned in regulations 3(1) and 4 so that the motor vehicle dealer bears the burden of proving that the motor vehicle dealer has complied with those requirements where any dispute arises thereto in any proceedings between the motor vehicle dealer and a consumer in relation to a consumer transaction.