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**BANKING ACT
(CHAPTER 19)**

**BANKING (CREDIT CARD AND CHARGE CARD)
(AMENDMENT) REGULATIONS 2015**

In exercise of the powers conferred by section 78(1) and (2) of the Banking Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Banking (Credit Card and Charge Card) (Amendment) Regulations 2015 and, with the exception of regulations 9 and 14, come into operation on 1 June 2015.

(2) Regulations 9 and 14 come into operation on 1 September 2015.

Amendment of regulation 2

2. Regulation 2 of the Banking (Credit Card and Charge Card) Regulations 2013 (G.N. No. S 729/2013) (referred to in these Regulations as the principal Regulations) is amended by deleting the definitions of “guaranteed charge card” and “guaranteed credit card” and substituting the following definitions:

“guaranteed charge card” means a charge card that is guaranteed by a guarantor but does not include —

(a) a charge card referred to in section 57G(b) of the Act; or

(b) a charge card that could be issued by the card issuer on the basis that the applicant satisfies any of the criteria referred to in regulation 8(2)(a) or (b)(i) or (ii);

“guaranteed credit card” means a credit card that is guaranteed by a guarantor but does not include —

(a) a credit card referred to in section 57G(b) of the Act; or

(b) a credit card that could be issued by the card issuer on the basis that the applicant satisfies any of the criteria referred to in regulation 8(2)(a) or (b)(i) or (ii);”.

Deletion and substitution of regulation 3

3. Regulation 3 of the principal Regulations is deleted and the following regulation substituted therefor:

“References in relation to credit cards or charge cards

3.—(1) For the purposes of these Regulations, a reference to a fully secured credit card or charge card is a reference to a credit card or charge card where —

- (a) the amount that is outstanding on the credit card or charge card and all supplementary cards is —
 - (i) secured by specified deposits; or
 - (ii) guaranteed by any bank, merchant bank or finance company, other than the bank, merchant bank or finance company that issued the credit card or charge card;
- (b) the amount of the specified deposits or the guarantee, as the case may be —
 - (i) is not less than \$10,000 at the time of the application for the credit card or charge card; and
 - (ii) is not at any time during the period the principal cardholder holds the credit card or charge card less than the higher of the following:
 - (A) \$10,000;
 - (B) the amount that is outstanding on the credit card or charge card and all supplementary cards; and
- (c) the card issuer has obtained security or legally binding undertakings, or taken any other action, to ensure that, unless and until the amount that is outstanding on the credit card or charge card and all supplementary cards is fully paid up —
 - (i) the specified deposits will not be withdrawn by the principal cardholder; or
 - (ii) the guarantee will not be withdrawn by the bank, merchant bank or finance company.

(2) For the purposes of these Regulations, a reference to a partially secured credit card or charge card is a reference to a credit card or charge card where —

(a) the amount that is outstanding on the credit card or charge card and all supplementary cards is —

(i) secured by specified deposits; or

(ii) guaranteed by any bank, merchant bank or finance company, other than the bank, merchant bank or finance company that issued the credit card or charge card;

(b) the amount of specified deposits or the guarantee, as the case may be —

(i) is not less than \$10,000 at the time of the application for the credit card or charge card; and

(ii) is not at any time during the period the principal cardholder holds the credit card or charge card less than \$10,000; but

(iii) may at any time during the period the principal cardholder holds the credit card or charge card, be less than the amount that is outstanding on the credit card or charge card and all supplementary cards; and

(c) the card issuer has obtained security or legally binding undertakings, or taken any other action, to ensure that, unless and until the amount that is outstanding on the credit card or charge card and all supplementary cards is not more than the difference between the credit limit of the credit card or charge card and the amount of specified deposits —

(i) the specified deposits will not be withdrawn by the principal cardholder; or

(ii) the guarantee will not be withdrawn by the bank, merchant bank or finance company.

(3) For the purposes of this regulation —

(a) a reference to the principal cardholder means the cardholder, if no supplementary card is issued under the cardholder's credit card or charge card;

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- (b) a reference to a supplementary card means any supplementary card that has been issued under a principal cardholder's credit card or charge card;
 - (c) a reference to the amount outstanding on a credit card or charge card and all supplementary cards does not include any fees, interest and charges (including late payment charges) relating to the use of any of those cards;
 - (d) a reference to the credit limit of a cardholder's credit card means, where one or more supplementary credit cards issued under the credit card have separate credit limits from that credit card, the sum of the credit limits of that credit card and the supplementary credit cards;
 - (e) a reference to the credit limit of a cardholder's charge card means, where one or more supplementary charge cards issued under the charge card have separate credit limits from that charge card, the sum of the credit limits of that charge card and all such supplementary charge cards;
 - (f) "specified deposits" means one or more deposits in the name of the cardholder, whether solely or jointly with one or more persons, or a private investment vehicle of the principal cardholder, placed with any bank, merchant bank or finance company; and
 - (g) "private investment vehicle", in relation to a cardholder, means a body corporate or trust established by or on behalf of the cardholder for the purpose of managing or holding assets of the cardholder."

Amendment of regulation 5

4. Regulation 5 of the principal Regulations is amended by deleting paragraph (1) and substituting the following paragraphs:

"(1) For the purposes of these Regulations, a reference to the aggregate credit limit of a cardholder (other than a supplementary cardholder) with a card issuer is a reference to the sum of all of the following amounts:

- (a) the sum of the credit limits of all credit cards issued to the cardholder, by the card issuer and, if one or more supplementary credit cards have been issued under such credit cards having separate credit limits from the principal cards, of all such supplementary credit cards;

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- (b) the sum of the credit limits of all charge cards issued to the cardholder by the card issuer and, if one or more supplementary charge cards have been issued under such charge cards having separate credit limits from the principal cards, of all such supplementary charge cards;
 - (c) the sum of the credit limits of all fully unsecured non-card credit facilities granted to the cardholder by the card issuer;
 - (d) the sum of the credit limits of all partially secured non-card credit facilities granted to the cardholder by the card issuer.

(1A) For the purposes of these Regulations, a reference to the aggregate credit limit of a supplementary cardholder with a card issuer is a reference to the sum of the following credit limits granted by the card issuer to the supplementary cardholder:

- (a) the sum of the credit limits of all supplementary credit cards issued to that supplementary cardholder under a credit card of the same principal cardholder;
- (b) the sum of the credit limits of all supplementary charge cards issued to that supplementary cardholder under a charge card of the same principal cardholder.”.

Amendment of regulation 6

5. Regulation 6(9) of the principal Regulations is amended by deleting the full-stop at the end of sub-paragraph (i)(ii)(C) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraphs:

- “(j) the repayment of any amount owing by the Singapore cardholder under a loan granted for any of the purposes specified in sub-paragraphs (a) to (i) (“original loan”) where the lender is not the person who granted the original loan and the lender has taken reasonable steps to ensure that the proceeds of the loan are paid to the person who granted that original loan;

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- (k) the repayment of any amount owing by the Singapore cardholder under a loan granted for the purpose specified in sub-paragraph (j) (“original refinancing loan”) where the lender is not the same as the person who granted the original refinancing loan and the lender has taken reasonable steps to ensure that the proceeds of the loan are paid to the person who granted that original refinancing loan.”.

Amendment of regulation 8

6. Regulation 8 of the principal Regulations is amended by deleting paragraph (7) and substituting the following paragraphs:

“(7) A card issuer must not issue a partially or fully secured credit card or charge card to an individual who is a citizen of Singapore or a permanent resident unless any amount that may become outstanding on the credit card or charge card —

- (a) is secured by specified deposits amounting in the aggregate to not less than \$10,000; or
- (b) is guaranteed by any bank, merchant bank or finance company, other than the card issuer, for an amount not less than \$10,000.

(8) If a card issuer has issued a partially secured credit card or charge card to an individual who is a citizen of Singapore or a permanent resident, the card issuer must ensure that, for the whole period specified in paragraph (10), the amount that is outstanding on the credit card or charge card is —

- (a) secured by specified deposits amounting in the aggregate to not less than \$10,000; or
- (b) guaranteed by any bank, merchant bank or finance company, other than the card issuer, for an amount not less than \$10,000.

(9) If a card issuer has issued a fully secured credit card or charge card to an individual who is a citizen of Singapore or a permanent resident, the card issuer must ensure that, for the whole period specified in paragraph (10), the amount that is outstanding on the credit card or charge card is —

- (a) secured by specified deposits amounting in the aggregate to not less than the higher of the following:
 - (i) \$10,000;

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- (ii) the amount that is outstanding on the credit card or charge card and all supplementary cards (if any); or
 - (b) guaranteed by any bank, merchant bank or finance company, other than the card issuer, for an amount not less than the higher of the following:
 - (i) \$10,000;
 - (ii) the amount that is outstanding on the credit card or charge card and all supplementary cards (if any).
 - (10) The period specified in paragraphs (8) and (9) is —
 - (a) where the card that is issued by the card issuer is a supplementary credit card or a supplementary charge card, the whole period during which the principal cardholder holds the principal card; or
 - (b) in any other case, the period during which the cardholder holds the card.

(11) A card issuer that breaches or fails to comply with paragraph (7), (8) or (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence under paragraph (8) or (9), to a further fine not exceeding \$2,500 for every day or part of a day during which the offence continues after conviction.

(12) In paragraphs (7), (8) and (9), “specified deposits” has the same meaning as in regulation 3(3).”.

Amendment of regulation 11

7. Regulation 11 of the principal Regulations is amended by inserting, immediately after paragraph (5), the following paragraphs:

“(6) Paragraph (1) does not apply to any increase in the aggregate credit limit of a supplementary cardholder, or increase in the credit limit of a guaranteed credit card or guaranteed charge card for a supplementary cardholder, as the case may be, where —

- (a) the increase in the credit limit or aggregate credit limit, as the case may be, is requested by the principal cardholder in a document signed by him and is for a purpose which has been specified by the Authority in writing to the card issuer;

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- (b) the increase is granted by the card issuer only for a reasonable period of time and for a reasonable amount, taking into account the purpose of the request for the increase; and
 - (c) the card issuer agrees with the principal cardholder not to recover from the supplementary cardholder such amounts as are outstanding on the supplementary card, which exceed —
 - (i) where the supplementary card is issued before 1 June 2014 and the supplementary cardholder has not been granted an increase in the credit limit of the supplementary card or the aggregate credit limit between that date and the date of the increase, the credit limit of the supplementary card or aggregate credit limit granted to the supplementary cardholder immediately before the increase; or
 - (ii) in any other case, the credit limit of the supplementary card or the aggregate credit limit granted to the supplementary cardholder in accordance with paragraph (4) or regulation 10(7), as the case may be, before the increase.

(7) Paragraph (1) also does not apply to any increase in the aggregate credit limit of a supplementary cardholder, or increase in the credit limit of a guaranteed credit card or guaranteed charge card for a supplementary cardholder, where —

- (a) the increase in the credit limit or aggregate credit limit, as the case may be, is requested by the principal cardholder in a document signed by him; and
- (b) the supplementary cardholder is a child who is financially dependent on the principal cardholder.

(8) In paragraph (7)(b), “child”, in relation to a cardholder, includes a stepchild and a child who has been de facto adopted by the cardholder, whether or not such adoption has been registered in accordance with the provisions of any written law.”.

Amendment of regulation 12

8. Regulation 12(1) of the principal Regulations is amended by deleting the word “A” and substituting the words “Subject to regulation 23A(1), a”.

Amendment of regulation 13

9. Regulation 13 of the principal Regulations is amended —

- (a) by deleting the words “A card issuer” in paragraph (2) and substituting the words “Subject to regulation 23A(2), a card issuer”;
- (b) by deleting sub-paragraph (i) of paragraph (2)(b);
- (c) by deleting sub-paragraph (i) of paragraph (3)(b);
- (d) by deleting sub-paragraph (a) of paragraph (4);
- (e) by deleting sub-paragraph (a) of paragraph (5);
- (f) by deleting the word “Any” in paragraph (6) and substituting the words “Subject to paragraph (9), any”; and
- (g) by inserting, immediately after paragraph (7), the following paragraphs:

“(8) Subject to regulation 22 —

- (a) the documents that a card issuer must obtain under paragraph (2)(a) must be dated not more than 3 months before the date of application for the relevant credit card or charge card;
- (b) the documents that a card issuer must obtain under paragraph (2)(b) must be dated not more than 3 months before the relevant increase in the aggregate credit limit;
- (c) the documents that a card issuer must obtain under paragraph (3)(a) must be dated not more than 3 months before the date of application for the relevant credit card or charge card;
- (d) the documents that a card issuer must obtain under paragraph (3)(b) must be dated not more than 3 months before the relevant increase in the credit limit;

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- (e) the documents that a card issuer is required to request the cardholder to provide under paragraph (4) must be dated not more than 3 months before the date that the documents are received by the card issuer; and
 - (f) the documents that a card issuer is required to request the guarantor to provide under paragraph (5) must be dated not more than 3 months before the date that the documents are received by the card issuer.
- (9) A card issuer need not —
- (a) obtain a document under paragraph (2) or (3);
or
 - (b) request for a document under paragraph (4) or (5),
if the card issuer already has the document and the document is dated with a date that complies with paragraph (8).”.

Amendment of regulation 14

10. Regulation 14 of the principal Regulations is amended —

- (a) by deleting the words “paragraph (5)” in paragraph (2) and substituting the words “paragraphs (3A), (5), (8) and (8A) and regulation 23A(3)”;
- (b) by deleting the words “paragraph (5)” in paragraph (3) and substituting the words “paragraphs (3A), (5), (8) and (8A)”;
- (c) by inserting, immediately after paragraph (3), the following paragraphs:
 - “(3A) Paragraphs (2) and (3) do not apply to a card issuer in respect of a Singapore cardholder for any of the periods specified in paragraph (3B) if, during the period, the card issuer does not permit the Singapore cardholder to charge any further amounts to any credit card or charge card issued by the card issuer to the Singapore cardholder.

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- (3B) The periods referred to in paragraph (3A) are —
- (a) the period of 6 months from the date on which a card issuer becomes aware that the income of a Singapore cardholder has decreased, and that as a result of the decrease the Singapore cardholder's total outstanding unsecured amounts exceeds the Singapore cardholder's overall credit limit; or
 - (b) the entire period during which the Singapore cardholder has a debt repayment arrangement with the card issuer to repay the card issuer in instalments.”;
- (d) by deleting sub-paragraph (c) of paragraph (5);
- (e) by deleting paragraph (8) and substituting the following paragraphs:
- “(8) Despite paragraphs (2) and (3), the credit card or charge card may be charged with any amount on or after 1 June 2015 if it is for the purpose of repaying any amount owed by the Singapore cardholder to any other lender, including fees, interest and charges (including late payment charges), where the card issuer has taken reasonable steps to ensure that the amount charged is paid to the lender for the purpose of repaying the amount owed to the lender.
- (8A) Despite paragraphs (2) and (3) but subject to regulations 8 and 17, if the amount owed to the lender has been paid under paragraph (8), the card issuer may —
- (a) permit further amounts to be charged to the Singapore cardholder's credit card or charge card; and
 - (b) issue any other credit card or charge card to the Singapore cardholder.”; and
- (f) by deleting the words “, (6) or (8)” in paragraph (9) and substituting the words “or (6)”.

Amendment of regulation 16

- 11.** Regulation 16 of the principal Regulations is amended —
- (a) by inserting, immediately after the words “paragraph (8)” in paragraph (2), the words “and regulation 23A(4)”;
 - (b) by deleting sub-paragraph (b) of paragraph (4) and substituting the following sub-paragraph:
 - “(b) the card issuer has or obtains the documents specified in Part V of the First Schedule for the purpose of assessing the credit worthiness of the Singapore cardholder or the guarantor, as the case may be, and, subject to regulation 22, the documents are dated not more than 3 months before the date that the Singapore cardholder is permitted to resume charging amounts; and”;
 - (c) by inserting, immediately after the words “paragraph (8)” in paragraph (6), the words “and regulation 23A(4)”.

Amendment of regulation 17

- 12.** Regulation 17 of the principal Regulations is amended —
- (a) by deleting the words “paragraphs (4) and (5)” in paragraph (2) and substituting the words “paragraphs (3A), (4) and (5) and regulation 23A(6)”;
 - (b) by deleting the words “annual income” wherever they appear in paragraphs (2) to (5) (other than in paragraph (4)(a)) and (6)(a) and in the regulation heading and substituting in each case the words “specified income”;
 - (c) by deleting the words “an annual income” in paragraph (4)(a) and substituting the words “specified income”;
 - (d) by inserting, immediately after paragraph (3), the following paragraph:
 - “(3A) Where a card issuer relies, under paragraph (3), on information from one or more credit bureaus as evidence that an individual’s cumulative total outstanding unsecured amount has exceeded the individual’s specified income for 3 consecutive months, the card issuer need only comply with paragraph (2)(a) within a reasonable time after obtaining that information from the credit bureau or bureaus (as the case may be).”;

(e) by deleting sub-paragraph (i) of paragraph (6)(b) and substituting the following sub-paragraph:

“(i) has or obtains documents to verify the Singapore cardholder’s specified income that are, subject to regulation 22, dated not more than 3 months before the date that the Singapore cardholder is permitted to resume charging amounts to the Singapore cardholder’s credit card or charge card; and”;

(f) by inserting, immediately after paragraph (9), the following paragraph:

“(10) In this regulation, “specified income”, in relation to a Singapore cardholder, is to be calculated as follows:

- (a) during the period from 1 June 2015 to 31 May 2017 (both dates inclusive), 2 times the Singapore cardholder’s annual income;
- (b) during the period from 1 June 2017 to 31 May 2019 (both dates inclusive), one and a half times the Singapore cardholder’s annual income; and
- (c) for any period on or after 1 June 2019, the Singapore cardholder’s annual income.”.

Amendment of regulation 18

13. Regulation 18(7) of the principal Regulations is amended by deleting “, (4)”.

Deletion and substitution of regulation 22

14. Regulation 22 of the principal Regulation is deleted and the following regulation substituted therefor:

“Verifying annual income of cardholder or guarantor with no fixed monthly income

22. For the purposes of regulations 13(2)(a), (3)(a), (4) and (5) and 16(4)(b), read with the First Schedule, in verifying the annual income of a cardholder or guarantor who does not have a fixed monthly income, a card issuer may rely on the most recent Notice of Assessment from IRAS pertaining to the cardholder or guarantor even if the Notice is dated more than 3 months before the relevant event or date specified in regulation 13(8) or 16(4)(b), as the case may be.”.

Deletion and substitution of regulation 23 and new regulations 23A and 23B

15. Regulation 23 of the principal Regulations is deleted and the following regulations substituted therefor:

“Verifying specified income of cardholder with no fixed monthly income

23.—(1) For the purposes of regulation 17(6)(b)(i), in verifying the specified income of a Singapore cardholder who does not have a fixed monthly income, a card issuer may rely on the most recent Notice of Assessment from IRAS pertaining to the cardholder even if the Notice is dated more than 3 months before the date specified in regulation 17(6)(b)(i).

(2) In paragraph (1), “specified income” has the same meaning as in regulation 17(10).

Increasing aggregate credit limits, etc., on request

23A.—(1) A card issuer may increase the aggregate credit limit granted by the card issuer to a principal cardholder without complying with the requirements of regulation 12(1)(b) if the conditions in paragraph (8) are met.

(2) A card issuer may increase the aggregate credit limit granted by the card issuer to a principal cardholder who meets the description of an individual referred to regulation 13(2)(b) without complying with the requirements of that provision if the conditions in paragraph (8) are met.

(3) A card issuer may permit amounts to be charged to a credit card or charge card issued to a principal cardholder who is a Singapore cardholder referred to in regulation 14(2) if the conditions in paragraph (8) are met despite —

- (a) that it would result in —
 - (i) the principal cardholder’s aggregate outstanding card amount exceeding the principal cardholder’s maximum credit limit; or
 - (ii) the principal cardholder’s total outstanding unsecured amount exceeding the principal cardholder’s overall credit limit; or

(b) that —

- (i) the principal cardholder's aggregate outstanding card amount already exceeds the principal cardholder's maximum credit limit; or
- (ii) the principal cardholder's total outstanding unsecured amount already exceeds the principal cardholder's overall credit limit.

(4) A card issuer may permit amounts to be charged to any credit card or charge card it has issued to a principal cardholder who is a Singapore cardholder referred to in regulation 16(2) if the conditions in paragraph (9) are met despite that there is an amount outstanding that is past due for 60 days or more on —

- (a) any credit card or charge card issued to the principal cardholder by the card issuer; or
- (b) any fully unsecured and partially secured non-card credit facility granted to the principal cardholder by the card issuer.

(5) A card issuer may increase the aggregate credit limit granted to a principal cardholder who is a citizen of Singapore or a permanent resident referred to in regulation 16(6) and who has any amount outstanding on any credit card or charge card issued, or any fully unsecured or partially secured non-card credit facility granted, by any lender that is past due for 60 consecutive days if the conditions in paragraph (8) are met.

(6) A card issuer may permit amounts to be charged to a fully unsecured or partially secured credit card or charge card issued by the card issuer to a Singapore cardholder referred to in regulation 17(2)(a) if the conditions in paragraph (9) are met despite that the requirements specified in regulation 17(6) have not been fulfilled.

(7) A card issuer may increase the aggregate credit limit granted to a principal cardholder who is a Singapore cardholder referred to in regulation 17(2)(c) whose cumulative total outstanding unsecured amount exceeds the principal cardholder's specified income (as defined in regulation 17(10)) for 3 consecutive months if the conditions in paragraph (8) are met.

(8) For the purposes of paragraphs (1), (2), (3), (5) and (7), the conditions are —

- (a) the principal cardholder requests the card issuer to increase the aggregate credit limit;
- (b) the request is made by the principal cardholder in a document signed by the principal cardholder;
- (c) the request is for a purpose that has been specified by the Authority in writing to the card issuer; and
- (d) the increase of the aggregate credit limit requested is for a reasonable amount, and for a reasonable period, taking into account the purpose of the request for the increase.

(9) For the purposes of paragraphs (4) and (6), the conditions are —

- (a) the principal cardholder requests the card issuer to permit the amounts to be charged;
- (b) the request is made by the principal cardholder in a document signed by the principal cardholder;
- (c) the request is for a purpose that has been specified by the Authority in writing to the card issuer; and
- (d) the amounts to be charged are reasonable and are to be charged within a reasonable period, taking into account the purpose of the request for the amounts to be charged.

(10) In this regulation, a reference to the principal cardholder means the cardholder, if no supplementary credit card or supplementary charge card is issued under the cardholder's credit card or charge card.

Transitional provision

23B.—(1) Where a Singapore cardholder has at any time between 30 November 2013 and 31 May 2015 (both dates inclusive) a cumulative total outstanding unsecured amount with a card issuer that is more than the Singapore cardholder's annual income, regulation 17 does not apply in relation to the Singapore cardholder up to and including 31 May 2019.

(2) For the purpose of determining the Singapore cardholder's cumulative total outstanding unsecured amount under paragraph (1), a card issuer may —

- (a) rely on information obtained through comprehensive checks with one or more credit bureaus; and
- (b) supplement such information obtained with other information that is supported by credible evidence from an independent source (such as bills issued by other lenders).”.

Made on 26 May 2015.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

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