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No. S 498

MONEYLENDERS ACT (CHAPTER 188)

MONEYLENDERS (AMENDMENT NO. 2) RULES 2019

In exercise of the powers conferred by section 37 of the Moneylenders Act, the Minister for Law makes the following Rules:

Citation and commencement

1.—(1) These Rules are the Moneylenders (Amendment No. 2) Rules 2019 and, except for rule 5, come into operation on 16 July 2019.

(2) Rule 5 comes into operation on 15 August 2019.

Deletion and substitution of heading to Part III

2. Part III of the Moneylenders Rules 2009 (G.N. No. S 72/2009) (called in these Rules the principal Rules) is amended by deleting the Part heading and substituting the following Part heading:

“UNSECURED LOANS”.

Amendment of rule 21

3. Rule 21(3) of the principal Rules is amended by deleting “\$1,500” and substituting “\$500”.

New rule 21B

4. The principal Rules are amended by inserting, immediately after rule 21A, the following rule:

“Prohibition of foreign sureties for unsecured loans

21B.—(1) A licensee must not grant an unsecured loan for which a person who is not a citizen of Singapore or a permanent resident is or is proposed to be a surety.

(2) A licensee who grants an unsecured loan in contravention of paragraph (1) —

- (a) knowing that a surety for that loan is not a citizen of Singapore or a permanent resident; or
- (b) recklessly or negligently failing to ascertain whether a surety for that loan is a citizen of Singapore or a permanent resident,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.”.

New rule 21C

5. The principal Rules are amended by inserting, immediately after rule 21B, the following rule:

“Restrictions on unsecured loans to foreign borrowers

21C.—(1) A licensee must not grant any applicable unsecured loan to a foreign borrower if, at the time the licensee intends to grant that loan —

- (a) the licensee has granted applicable unsecured loans to 300 or more foreign borrowers which are outstanding; or
- (b) the aggregate of the outstanding loan amounts of all foreign borrowers of the licensee is \$150,000 or more.

(2) A licensee must not grant applicable unsecured loans to more than —

- (a) 15 foreign borrowers in one month; and
- (b) subject to paragraph (3), 50 foreign borrowers in an applicable year.

(3) A licensee who has granted applicable unsecured loans to more than —

- (a) 50 foreign borrowers in an applicable year must not grant any further applicable unsecured loan to any of those foreign borrowers in that applicable year; or

(b) 50 foreign borrowers in the period from 1 January 2019 to 14 August 2019 (both dates inclusive) must not grant any further applicable unsecured loan to any of those foreign borrowers in the period from 15 August 2019 to 31 December 2019 (both dates inclusive).

(4) For the purposes of paragraphs (1), (2) and (3), where a licensee grants an applicable unsecured loan to a foreign borrower as a joint borrower with any other person, the foreign borrower is regarded as one foreign borrower.

(5) For the purposes of paragraphs (2) and (3), a foreign borrower to whom a licensee grants one or more applicable unsecured loans in an applicable year is regarded as one foreign borrower.

(6) A licensee who grants an applicable unsecured loan to a foreign borrower knowing that, or recklessly or negligently failing to ascertain whether, the granting of that loan is in contravention of paragraph (1), (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

(7) In this rule —

“applicable unsecured loan” means any unsecured loan except a debt consolidation loan;

“applicable year” means —

(a) the period of 12 months starting on 1 January 2019; and

(b) every 12-month period after the end of the period in paragraph (a);

“outstanding loan amount”, in relation to a foreign borrower, means the amount reflected in the loan account book kept, or caused to be kept, by the licensee under section 24(1)(c)(ii) of the Act as the aggregate of the foreign borrower’s share of the outstanding amount (excluding any interest, late

interest or fee) of every applicable unsecured loan previously granted by that licensee to that foreign borrower.”.

*[G.N. Nos. S 304/2010; S 475/2011; S 95/2012;
S 567/2015; S 755/2018; S 142/2019]*

Made on 12 July 2019.

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