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### HIRE-PURCHASE ACT (CHAPTER 125)

### HIRE-PURCHASE (MOTOR VEHICLES) REGULATIONS 2013

#### ARRANGEMENT OF REGULATIONS

##### Regulation

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In exercise of the powers conferred by section 49 of the Hire-Purchase Act, the Minister for Trade and Industry hereby makes the following Regulations:

#### **Citation and commencement**

1. These Regulations may be cited as the Hire-Purchase (Motor Vehicles) Regulations 2013 and shall come into operation on 6th April 2013.

#### **Definitions**

2. In these Regulations, unless the context otherwise requires —  
“applicable value”, in relation to a motor vehicle, means —

- (a) in the case of a motor vehicle which has not previously been registered under section 10 of the Road Traffic Act (Cap. 276), the value of the motor vehicle as determined by the Registrar in accordance with

rule 7(3) of the Road Traffic (Motor Vehicles, Registration and Licensing) Rules (Cap. 276, R 5); and

- (b) in the case of a motor vehicle which has previously been so registered under the Road Traffic Act, the value of the motor vehicle determined in accordance with the following formula or nil, whichever is the higher:

$$A - \left( \frac{B}{120 - C} \right) \times A,$$

where A is the value of the motor vehicle determined in accordance with sub-paragraph (a);

B is the period (in whole months) starting from the date of first registration of the motor vehicle in Singapore and ending on the eve of the day on which the hire-purchase agreement for the motor vehicle was made; and

C is —

- (i) the period (in whole months) starting from the date of first registration of the motor vehicle outside Singapore and ending on the eve of the date of first registration of the motor vehicle in Singapore, if the motor vehicle was registered outside Singapore before its first registration in Singapore; or
- (ii) nil, if the motor vehicle was not registered outside Singapore before its first registration in Singapore;

*Illustration 1*

A motor vehicle was imported into Singapore as a new motor vehicle and its value (A) was \$33,000. The date of first registration of the motor

vehicle in Singapore was 1st January 2010. A hire-purchase agreement is made on 10th May 2013.

The value of B is 3 years, 4 months and 9 days, which when rounded down to the nearest whole month is 40 months. The value of C is nil since the motor vehicle was never registered outside Singapore.

The applicable value of the motor vehicle is calculated as follows:

$$\begin{aligned} & \$33,000 - [40/120 \times 33,000] \\ & = \$22,000 \end{aligned}$$

#### *Illustration 2*

A motor vehicle was imported into Singapore as a new motor vehicle and its value (A) was \$33,000. The date of first registration of the motor vehicle in Singapore was 1st May 2008. A hire-purchase agreement is made on 10th May 2013.

The value of B is 5 years and 9 days, which when rounded down to the nearest whole month is 60 months. The value of C is nil since the motor vehicle was never registered outside Singapore.

The applicable value of the motor vehicle is calculated as follows:

$$\begin{aligned} & \$33,000 - [60/120 \times 33,000] \\ & = \$16,500 \end{aligned}$$

#### *Illustration 3*

A motor vehicle was imported into Singapore as a used motor vehicle and its value (A) was \$33,000. The date of first registration of the motor vehicle overseas was 31st August 2006. The date of first registration of the motor vehicle in Singapore was 1st May 2008. A hire-purchase agreement is made on 10th May 2013.

The value of B is 5 years and 9 days, which when rounded down to the nearest whole month is 60 months. The value of C is 1 year, 8 months and 1 day, which when rounded down to the nearest whole month is 20 months.

The applicable value of the motor vehicle is calculated as follows:

$$\begin{aligned} & \$33,000 - [60/100 \times 33,000] \\ & = \$33,000 - 19,800 \\ & = \$13,200 \end{aligned}$$

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“commercial vehicle” means any motor vehicle that is —

- (a) a goods vehicle as defined in section 2 of the Road Traffic Act (but does not include a goods-cum-passengers vehicle as defined in rule 2 of the Road Traffic (Motor Vehicles, Registration and Licensing) Rules;
- (b) an omnibus, a school bus, a private hire bus, an excursion bus or a private bus, as described in the Second Schedule to the Road Traffic Act;
- (c) engineering plant, such as a tractor, a road roller, an excavator, a forklift, a dumper, a grader, a concrete pump, a dozer, a loader, a skidder, a compactor, a scrapper, a pipe-layer, a handcraft, a pax step or an airport service equipment;
- (d) a private hire car as described in the Second Schedule to the Road Traffic Act; or
- (e) a taxi as described in the Second Schedule to the Road Traffic Act;

“motor cycle” means a motor cycle as defined in section 4 of the Road Traffic Act;

“motor vehicle” has the same meaning as in section 2 of the Road Traffic Act, but does not include any commercial vehicle or motor cycle;

“relevant agreement” —

- (a) in relation to a hire-purchase agreement for a motor vehicle, means the agreement made before the hire-purchase agreement by the hirer to purchase the motor vehicle that is the subject of the hire-purchase agreement;
- (b) in relation to a conditional sale agreement for a motor vehicle, means the agreement made before the hire-purchase agreement by the buyer to purchase the motor vehicle that is the subject of the conditional sale agreement; or

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(c) if there is no earlier agreement referred to in paragraph (a) or (b), means the hire-purchase agreement or conditional sale agreement, as the case may be, for the motor vehicle.

“subsequent hire-purchase agreement” and “subsequent conditional sale agreement”, in relation to a motor vehicle, means a hire-purchase agreement or a conditional sale agreement, respectively, made by the hirer or buyer (as the case may be) with the owner of the motor vehicle for the sole purpose of enabling the hirer or buyer (as the case may be) to terminate its earlier hire-purchase agreement or earlier conditional sale agreement for that motor vehicle, and to hire or purchase (as the case may be) the motor vehicle from the owner of the motor vehicle;

“tenure”, in relation to a hire-purchase agreement or conditional sale agreement for a motor vehicle, means —

- (a) the period of hire of the motor vehicle under the hire-purchase agreement or conditional sale agreement; or
- (b) in the case where there is any subsequent hire-purchase agreement or subsequent conditional sale agreement, the total period (in days) by adding —
  - (i) the period of hire of the motor vehicle under the subsequent hire-purchase agreement or subsequent conditional sale agreement; and
  - (ii) the period of hire of the motor vehicle under the earlier hire-purchase agreement or earlier conditional sale agreement before that earlier agreement was terminated;

“used vehicle” means a motor vehicle which has previously been registered in Singapore and has its registration temporarily transferred, on or before 4th March 2013, to the name of the person or entity with whom the hirer or buyer, as the case may be, made the relevant agreement.

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**Application**

3. These Regulations shall apply only to any hire-purchase agreement or conditional sale agreement made on or after 6th April 2013 for a motor vehicle where —

- (a) the relevant agreement was made on or after 6th April 2013; or
- (b) the certificate of entitlement for the motor vehicle was issued on or after 6th April 2013.

**Hire-purchase agreement for motor vehicle**

4.—(1) Subject to paragraph (3), the minimum amount of the deposit to be paid by the buyer under a hire-purchase agreement for a motor vehicle shall be —

- (a) 40% of the purchase price of the motor vehicle if the applicable value of the motor vehicle does not exceed \$20,000; or
- (b) 50% of the purchase price of the motor vehicle if the applicable value of the motor vehicle exceeds \$20,000.

(2) Subject to paragraph (3), the tenure of a hire-purchase agreement for a motor vehicle shall not exceed 5 years.

(3) Paragraphs (1) and (2) shall not apply to a hire-purchase agreement for a used vehicle if the relevant agreement is made between 6th April 2013 and 4th June 2013 (both dates inclusive).

**Conditional sale agreement for motor vehicle**

5.—(1) Subject to paragraph (3), the minimum amount of the deposit to be paid by the buyer under a conditional sale agreement for a motor vehicle shall be —

- (a) 40% of the purchase price of the motor vehicle if the applicable value of the motor vehicle does not exceed \$20,000; or
- (b) 50% of the purchase price of the motor vehicle if the applicable value of the motor vehicle exceeds \$20,000.

(2) Subject to paragraph (3), the tenure of a conditional sale agreement for a motor vehicle shall not exceed 5 years.

(3) Paragraphs (1) and (2) shall not apply to a conditional sale agreement for a used vehicle if the relevant agreement is made between 6th April 2013 and 4th June 2013 (both dates inclusive).

### **Offences**

6. Any owner of a motor vehicle who makes a hire-purchase agreement or conditional sale agreement which does not comply with any of the requirements of regulation 4 or 5 shall be guilty of an offence.

Made this 5th day of April 2013.

NG HOW YUE  
*Second Permanent Secretary,  
Ministry of Trade and Industry,  
Singapore.*

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