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## REGISTRAR'S CONDITIONS FOR THE GRANT OF MONEYLENDER'S LICENCE

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In addition to the requirements under the Moneylenders Act (Cap. 188) (and any revised edition of the Act) and the Moneylenders Rules 2009 for obtaining and holding a moneylender's licence, the following conditions for the grant of your licence are imposed under Section 5(4) and/or Section 5(7) of the Moneylenders Act:

- 1 All licensees are to conduct their moneylending activities, including those carried out on their behalf, within the framework of Singapore law, in particular, the Penal Code (Cap. 224).
- 2 No licensee shall collect any fee from a prospective borrower before the loan is granted.
- 3 The full principal amount of the loan shall be disbursed to the borrower. No licensee shall deduct upfront from this amount to be disbursed, an instalment repayment amount or interest charge. No licensee shall grant a loan where the terms of the loan contract permit the licensee to deduct, or require the borrower to pay, upfront from this amount to be disbursed, an instalment repayment amount or interest charge.
- 4 All licensees shall verify and satisfy themselves as to the annual income of their borrowers before the grant of any loan, regardless of the quantum of the loan. They should obtain and retain a copy of independent and reliable documents which evidence the income of such borrowers (e.g. income tax assessment, payslip) before granting such loans. They should also be able to produce these documents on demand by the Registrar.
- 5 All licensees shall obtain the Registrar's prior approval for the employment or engagement of any person to assist in the carrying on of the business, including persons employed or engaged to perform debt collection. When seeking such approval, licensees shall provide the Registrar with such information about the person to be employed or engaged, as the Registrar may require.
- 6 All licensees shall obtain the Registrar's prior approval for the allotment or transfer of shares, regardless of whether the transferee is a new shareholder or an existing shareholder within the moneylending business.
- 7 Every licensee shall ensure that every approved premises of his moneylending business is managed by a different person who is suitably qualified, i.e. that person (who can be the licensee himself) must satisfy two criteria:
  - (a) he has passed the Moneylenders' Written Test; and
  - (b) his appointment as manager has been approved by the Registrar.

Where an approved premises is no longer managed by a suitably-qualified person (e.g. due to staff resignation), the licensee shall appoint another person who is suitably qualified to manage that premises, within 6 months from the date of the previous manager's departure.

- 8 Every licensee shall subscribe to one or more telephone land lines under his business name with a telecommunications company licensed to operate and provide telecommunication services in Singapore, for the purpose of the licensee's

moneylending business. The licensee shall obtain the prior approval of the Registrar in writing for the telephone number which relates to each such land line. The licensee shall furnish proof to the Registrar of his subscription to the land line before any approval is granted, and at any time when required after approval is granted. The Registrar may withdraw any approval granted at any time as he sees fit. All approved land lines shall be used exclusively for the licensee's moneylending business and shall not be used by any other party for any other purpose.

- 9 Every licensee shall display the latest edition of the "Notes To Borrowers When Obtaining Loans From Moneylenders" in a conspicuous position in every place of his moneylending business.
- 10 Every licensee or his representative shall be present when requested by the Registrar, or any officer authorised by the Registrar, during the conduct of an inspection at the licensee's business premises. The licensee shall give such assistance and co-operate in such manner as may be required by such officers in the course of the inspection.
- 11.1 All licensees shall not, except where the disclosure is permitted by law, disclose any information about their borrower without obtaining the prior written consent of the borrower. Examples of information about their borrowers are their name, contact details, identity card/passport number, income, assets and liabilities, loan details, loan servicing history or any other information relating to the loan.
- 11.2 All licensees shall ensure that the scope of the consent given by their borrowers satisfies the scope of the information to be disclosed, and that the borrower has consented to the circumstances when disclosure may be made, the purpose of the disclosure and the parties to whom disclosure may be made. The contents of the consent shall be explained to the borrower in a language which the borrower understands before he signs the consent.

Note: Licensees shall seek their own legal advice on the drafting of the consent. Notwithstanding conditions 11.1 and 11.2, and whether borrowers have granted consent for the disclosure of their information, conditions 11.1 and 11.2 shall not be construed as prohibiting or disentitling licensees or their shareholders, directors, partners or management from disclosing such information about their borrowers:

- a) to the court in legal proceedings;
- b) to any enforcement agency for investigations or to any regulatory or statutory authority in connection with the discharge or performance of their functions, duties and powers when required according to law;
- c) to the Registrar of Moneylenders or an officer authorised by the Registrar;
- d) to an auditor appointed for the purpose of auditing the compliance by the licensee with the Moneylenders Act or Rules;
- e) to lawyers and professional financial advisors in the proposed merger, acquisition or restructuring of the licensee or proposed issue or allotment of shares by the licensee;
- f) to lawyers and professional financial advisors on the proposed purchase of the business or loans of the licensee;
- g) to the Official Assignee, Official Receiver, a trustee in bankruptcy or a liquidator in the bankruptcy or winding up of the borrower or the licensee.

- 12 A licensee shall not grant a housing loan if:
- (a) the licensee is a related corporation (within the meaning of section 6 of the Companies Act (Cap. 50)) of a company; or
  - (b) an owner, a manager, a shareholder or a director of the licensee is an owner, a manager, a shareholder or a director of a firm or company, which carries on a business in Singapore as an estate agent.

This Condition shall not apply to a bridging loan granted by a licensee in compliance with the prevailing Notice(s) on bridging loans issued by the Monetary Authority of Singapore.

- 13 A licensee shall comply with Notice 632 and Notice 642 issued by the Monetary Authority of Singapore to banks, on Residential Property Loans and Motor Vehicle Loans respectively, when granting any loan –
- (a) for the purchase of a residential property or motor vehicle; or
  - (b) to a company for the purpose of enabling that company to grant a loan for the purchase of a residential property or motor vehicle.

For this purpose, the Notices, in so far as they relate to the said activities, shall be construed as constituting a part of this condition and references in the Notices to –

- (i) a “bank” shall be read as a reference to a “licensee”;
- (ii) “credit facility” shall be read as a reference to a “loan”; and
- (iii) “disburse monies under any credit facility” shall be read as a reference to “grant a loan”.

- 14 All licensees are not to ask borrowers to reveal, or obtain from borrowers, their confidential passwords, including Singpass and internet banking passwords.
- 15 All licensees are required to keep the Registrar informed of any legal action that has been commenced against the moneylending business in any court (including the Small Claims Tribunal).
- 16 All operations of the moneylending business shall be computerised as may be required by the Registrar.
- 17 All licensees shall submit quarterly returns to the Registry in electronic copy in such format and manner as may be specified by the Registrar.
- 18 All licensees shall participate in the Interbank GIRO System (IBG) and other cashless mode of electronic receipts and payments, e.g. NETS, Internet e-Payment Services, as may be required by the Registrar.
- 19 Every moneylender shall ensure compliance with the United Nations (Anti-terrorism Measures) Regulations. In particular, every moneylender shall, before conducting any business or entering into any transaction with any person, verify the identity of the person against the lists of terrorists, persons associated with terrorist organisations and entities, other groups and undertakings associated with terrorist organisations as updated from time to time and made available on the Internet through the official United Nations website, at the following links:
- (a) [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml)
  - (b) <http://www.un.org/sc/committees/1988/list.shtml>

In addition to the above two lists (which are issued under the Terrorism (Suppression of Financing) Act and UN Regulations), no moneylender shall transact with entities or individuals listed under other UN Regulations which seek to address proliferation risks of weapons of mass destruction (as listed below). The moneylender shall also “freeze” without delay assets and funds collected from these persons or entities, and seek further instructions from the Police.

These Regulations include, but are not limited to:

- a. United Nations (Freezing of Assets – Cote d’Ivoire) Regulations 2006;
- b. United Nations (Sanctions – Democratic People’s Republic of Korea) Regulations 2010;
- c. United Nations (Freezing of Assets of Persons – Democratic Republic of Congo) Regulations 2006;
- d. United Nations (Sanctions – Iran) Regulations 2014;
- e. United Nations (Freezing of Assets of Former President of Liberia and Connected Persons) Regulations 2004; and
- f. United Nations (Freezing of Assets of Persons – Sudan) Regulations 2006 (collectively referred to as the “UN Regulations”).

The above-mentioned lists are consolidated at the Monetary Authority of Singapore’s website, from which every moneylender should regularly seek reference and updates.

<http://www.mas.gov.sg/regulations-and-financial-stability/anti-money-laundering-counteracting-the-financing-of-terrorism-and-targeted-financial-sanctions/targeted-financial-sanctions/lists-of-designated-individuals-and-entities.aspx>

With effect from 10 July 2015

REGISTRAR OF MONEYLENDERS  
MINISTRY OF LAW