
First published in the Government *Gazette*, Electronic Edition, on 28th September 2015 at 5:00 pm.

No. S 567

**MONEYLENDERS ACT
(CHAPTER 188)**

**MONEYLENDERS
(AMENDMENT)
RULES 2015**

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. These Rules may be cited as the Moneylenders (Amendment) Rules 2015 and come into operation on 1 October 2015.

Deletion and substitution of rule 1A

2. Rule 1A of the Moneylenders Rules 2009 (G.N. No. S 72/2009) (referred to in these Rules as the principal Rules) is deleted and the following rule substituted therefor:

“Definition

1A. In these Rules, unless the context otherwise requires, “business loan” means a loan granted by a licensee to any of the following:

- (a) a company that was incorporated under the Companies Act (Cap. 50), or under any corresponding previous legislation, at least 2 years before the grant of the loan;
- (b) a limited liability partnership that was registered under the Limited Liability Partnerships Act (Cap. 163A) at least 2 years before the grant of the loan;
- (c) a person who was registered under the Business Registration Act (Cap. 32) at least 2 years before the grant of the loan.”.

Amendment of rule 8**3. Rule 8 of the principal Rules is amended —**

(a) by deleting paragraphs (a) and (b) substituting the following paragraphs:

“(a) the nominal interest rate for the loan expressed as a percentage per month;

(b) that interest will be computed on the monthly outstanding balance of the principal;”;

(b) by deleting paragraphs (d) and (e) and substituting the following paragraphs:

“(d) the nominal interest rate for the interest (if any) to be charged on late payment of the principal and interest, expressed as a percentage per month;

(e) that late interest (if any) will be computed on the monthly outstanding balance of the amount of principal or interest or both that is overdue;”.

New rule 10A

4. The principal Rules are amended by inserting, immediately after rule 10, the following rule:

“Repayment instalments and intervals

10A. Every contract for a loan must provide for the payment of equal instalments at equal intervals of time.”.

Deletion and substitution of rule 11

5. Rule 11 of the principal Rules is deleted and the following rule substituted therefor:

“Interest

11.—(1) The maximum rate of interest referred to in section 23(6) of the Act is the nominal interest rate of 4% per month.

(2) The interest charged on the loan is to be computed based on the monthly outstanding balance of principal remaining after deducting from the original principal the total payments made by or on behalf of the borrower which are appropriated to principal.

(3) The maximum rate of late interest referred to in section 23(6) of the Act is the nominal interest rate of 4% per month.

(4) The late interest is to be computed based on the monthly outstanding balance of the amount of principal or interest or both that is overdue.

(5) To avoid doubt, late interest is charged only on an amount that has fallen due and is not paid.”.

Deletion and substitution of rule 12

6. Rule 12 of the principal Rules is deleted and the following rule substituted therefor:

“Permitted fees

12.—(1) For the purposes of section 22 of the Act, a licensee may impose in respect of every loan (other than a business loan) granted by the licensee, the following costs, charges and expenses that have been agreed to by the borrower:

- (a) a fee for each occasion of late repayment of principal or late payment of interest (including any late interest), but not exceeding an aggregate of \$60 per month;
- (b) a fee, not exceeding 10% of the principal of the loan, that is payable when a loan is granted;
- (c) legal costs incurred for the recovery of the loan, as may be ordered by a court to be paid to the licensee.

(2) For the purposes of section 22 of the Act, a licensee may impose in respect of every business loan granted by the licensee, the following costs, charges and expenses that have been agreed to by the borrower:

- (a) a fee for each occasion of late repayment of principal or late payment of interest (including any late interest);

- (b) a fee for each occasion the terms of the contract for the loan are varied at the request of the borrower;
- (c) a fee for every cheque drawn by or on behalf of the borrower which is dishonoured by the bank on which it is drawn when presented by the licensee;
- (d) a fee for every unsuccessful deduction from a bank account through interbank GIRO for payment by or on behalf of a borrower to the licensee;
- (e) in the case of a term loan, a fee for the early redemption (whether partial or in full) of the loan, and a fee for the early termination of the contract (whether due to the default of the borrower, redemption of the loan or otherwise) for the loan;
- (f) legal costs incurred for the recovery of the loan, as may be ordered by a court to be paid to the licensee.”.

New rules 12A and 12B

7. The principal Rules are amended by inserting, immediately after rule 12, the following rules:

“Maximum amount for aggregate of interest, late interest and fees

12A. Despite rules 11 and 12, the licensee must not recover from a borrower, on account of interest, late interest or any fee permitted under rule 12(1)(a) or (b), an aggregate amount exceeding the principal of the loan.

Non-application of rules 11 and 12A to business loans

12B. Rules 11(1) and (3) and 12A do not apply to a business loan granted by a licensee.”.

Amendment of rule 13

8. Rule 13 of the principal Rules is amended by deleting the word “effective” in paragraph (d) and substituting the word “nominal”.