

FACT SHEET

Proposed amendments to the Moneylenders Act

The Ministry of Law is proposing amendments to the Moneylenders Act (MLA) as part of on-going efforts to tighten the regulation of Singapore's moneylending industry.

2 The amendments are in three main areas:

- i. Strengthen the Registry of Moneylenders' enforcement powers;
- ii. Safeguard information on borrowers from unlicensed moneylenders; and
- iii. Enhance clarity of the provision governing moneylenders' place of business.

Strengthen the Registry of Moneylenders' enforcement powers

Authorise any person to conduct inspections

3 Section 25 empowers the Registry to authorise only public officers¹ to exercise statutory powers in relation to conducting inspections of licensed moneylenders, such as requiring the moneylender to furnish any information or document, and seizing and removing documents or equipment from the premises inspected. The amendments will allow the Registry to engage any person, for example, auxiliary police officers, to assist the Registrar or an authorised officer in conducting inspections. This will enhance the Registry's ability to conduct more regular and thorough enforcement checks on moneylenders. Specifically, such persons will assist in:

- (i) inspecting any premises where a moneylender is or is believed to be carrying on his business, as well as the documents kept in those premises;
- (ii) requiring the moneylender or any other person to furnish any information or documents;
- (iii) making a copy of any document inspected; and
- (iv) taking photographs or video recordings of the premises inspected.

4 The powers to seize and remove documents or equipment from the premises inspected will continue to be exercised by public officers only.

¹ Persons who are holders of an office in public service.

Require moneylenders to furnish information or documents at such time, place and manner as the Registry may specify

5 Section 25(1) and Section 25(2) stipulate the Registry's powers to inspect the moneylender's place of business and require him or her to furnish any information or documents for the purpose of determining compliance with the MLA. A limitation in these two provisions is that the Registry is not given express powers to specify the time, place and manner in which such information or documents are to be furnished. The amendments will enhance the Registry's enforcement efforts by giving the Registry such powers.

Safeguard information on borrowers from unlicensed moneylenders

6 Section 14(3A) stipulates activities which are deemed to be for the purposes of assisting unlicensed moneylending and which are hence prohibited. These include allowing any premises to be used for unlicensed moneylending, and collecting or demanding payment of a loan on behalf of an unlicensed moneylender. The existing Section 14(3A), however, does not expressly prohibit information on borrowers from being shared with unlicensed moneylenders. Hence, to safeguard information on borrowers, the proposed amendments to Section 14(3A) will make it a criminal offence for any person to share information on a potential borrower with an unlicensed moneylender, or refer a potential borrower to an unlicensed moneylender.

Enhance clarity of the provision governing moneylenders' place of business

7 The proposed amendments to Section 10(13)(a) will make it explicit that it is an offence for moneylenders to carry on their moneylending business at unauthorised places of business.

**REGISTRAR OF MONEYLENDERS
INSOLVENCY AND PUBLIC TRUSTEE'S OFFICE
MINISTRY OF LAW
14 FEBRUARY 2012**