
REGISTRAR'S CONDITIONS FOR MONEYLENDER'S LICENCE

In addition to the requirements under the Moneylenders Act 2008 (and any revised edition of the Act) (“**the Act**”) and the Moneylenders Rules 2009 (“**the Rules**”) for obtaining and holding a moneylender’s licence, a licensee must comply with the following conditions of its licence specified under section 5(5) and/or section 5(8) of the Act:

General

1. Every licensee’s moneylending activities, including those carried out on its behalf, shall be conducted within the framework of Singapore law, in particular, the Penal Code 1871, the Protection from Harassment Act 2014 and the Personal Data Protection Act 2012.
2. Every licensee shall display the latest edition of the “Notes to Borrowers When Obtaining Loans From Licensed Moneylenders” (“**Notes to Borrowers**”) in a conspicuous position in each of its places of business. A copy of the Notes to Borrowers is available on the Registry of Moneylenders’ website¹.
3. Every licensee shall obtain the Registrar’s prior approval for the allotment or transfer of the licensee’s shares, regardless of whether the transferee is a new or existing shareholder of the licensee, and regardless of whether the transferee is or will be a substantial shareholder of the licensee.
4. Every licensee shall comply with sections 386AKA and 386ALA of the Companies Act 1967, on the keeping of the register of nominee directors and the register of nominee shareholders, and to furnish to the Registrar, the up-to-date version of the register, no more than 7 days whenever a change has been made.
5. Every licensee shall ensure that each approved place of business of the licensee is managed by a different person who is suitably qualified, i.e. that person must satisfy two criteria:
 - (a) he has passed the Moneylenders’ Written Test; and
 - (b) his appointment as a manager has been approved by the Registrar.

Such a suitably qualified person shall be referred to herein as a “Test-Qualified Manager”. Where an approved place of business is no longer managed by a Test-Qualified Manager, the licensee shall appoint another person who is suitably qualified to manage that place of business, within 6 months from the date of the previous manager’s departure.

¹ <https://rom.mlaw.gov.sg/information-for-borrowers/guide-to-borrowing-from-licensed-moneylenders-english/>

6. For the purposes of Condition 5, a Test-Qualified Manager shall be deemed to be managing an approved place of business only if the licensee can reasonably prove that the former has been actively performing all of the following duties thereat:
 - (a) Training – Such duties shall include ensuring that staff are given adequate training on laws relating to the moneylending industry.
 - (b) Daily operations of the licensee – Such duties shall include the review of loan documents and moneylending business procedures to ensure that all relevant moneylending laws are complied with.

Every licensee shall, when required by the Registrar, furnish the Registrar with evidence to demonstrate how the Test-Qualified Manager has fulfilled the above duties during his period of employment in such a capacity.

7. Every licensee or its Test-Qualified Manager shall, when requested by the Registrar, or any officer authorised by the Registrar, be present at the licensee's place of business to facilitate the conduct of an inspection.
8. Every licensee shall comply with the following conditions in respect of the bank account(s) used for its moneylending business, including debt collection and receipt of dividends.
 - (a) With effect from 13 November 2017, every licensee shall obtain the prior written approval of the Registrar for each bank account that is to be used for conducting the moneylending business ("**approved bank account**"), including debt collection and receipt of dividends distributed by the trustee of a borrower's bankruptcy's estate by the Official Assignee in the course of administering a debt repayment scheme applying to a borrower. No more than five bank accounts will be approved by the Registrar per licensee at any time. When applying to the Registrar for an approved bank account, the licensee must ensure that:
 - (i) The application is accompanied by a statement of account, indicating the particulars of the account holder (including signatories) and the opening balance.
 - (ii) The account is held in the name of the licensee (i.e. the business name).
 - (iii) Each of the authorised account signatories must be a company director, or a Test-Qualified Manager of the licensee.
 - (b) The Registrar's prior approval must be obtained for any change of signatory to an approved bank account.

- (c) Each approved bank account shall only be used for the licensee's moneylending business.
 - (d) An approved bank account must not be shared between licensees or with any other person.
 - (e) Any fresh funds injected for use in any aspect of the moneylending business, either as a capital injection or credit obtained by the licensee, shall first be banked into an approved bank account before any deployment for the purpose(s) for which they were intended. Documentary proof of such transactions and events must be kept for a period of not less than 5 years from the date of the relevant transaction/event and furnished to the Registrar when required (e.g. share certificate, loan contract, agreements, etc.).
 - (f) The licensee shall put in place reasonable measures to mitigate risks of money laundering and terrorism financing through an approved bank account.
9. Every licensee shall subscribe to one or more telephone land lines under its business name with a telecommunications company licensed to provide telecommunication services in Singapore, for the purpose of the licensee's moneylending business. The licensee shall obtain the prior written approval of the Registrar for each such land line. The licensee shall furnish proof to the Registrar of the subscription when seeking approval. 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.
10. Every licensee shall notify the Registrar no later than 7 days after it becomes aware of any legal action that has been commenced in any court or tribunal (including the Small Claims Tribunal) against the licensee, director or substantial shareholder of the licensee.
11. Operations of the moneylending business shall be computerised as may be required by the Registrar.
12. Every licensee 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.

Audit requirements

13. Every licensee shall notify the Registrar of its appointed auditor under section 39(1) of the Act no later than 31 December of every year.
14. A licensee shall, no later than 31 December every year, send to its appointed auditor a copy of the Registrar's Notice² on the scope of the auditor's duties.

² Registrar's Notice to the Appointed Auditors of Moneylending Licensee Pursuant to sections 39(4) and (5) of the Act, available on <https://rom.mlaw.gov.sg/information-for-moneylenders/audit/>

15. Pursuant to section 39(8) of the Act, every licensee shall within four months after the close of the financial year as at 31 December, or such longer period as may be allowed by the Registrar, submit to the Registrar a copy of the auditor's report made under sections 39(4)(b) and 39(5)(d) of the Act.

Granting of Loans

16. Apart from the loan approval fee of up to 10% of the principal amount of the loan which is permitted under rule 12(1)(b) of the Rules, the remaining principal amount of the loan shall be disbursed in full to the borrower. No licensee shall grant a loan where the terms of the loan contract permit the licensee to deduct upfront from the principal amount of loan to be disbursed to a borrower, any instalment repayment amount or interest charge.
17. Every licensee shall, before granting any loan, meet the loan applicant in person at the licensee's approved place of business to:
- (a) conduct physical face-to-face verification of the loan applicant's identity against his original identification document; and
 - (b) explain to the loan applicant in person the terms and conditions of the loan, and any cautionary statement or advisory as the Registrar may direct, in a language which the loan applicant understands.
18. In addition to the requirement under section 38(1) of the Act, every licensee must, for every loan granted to a borrower, keep or cause to be kept,—
- (a) the loan application form;
 - (b) a copy of every document supporting the application; and
 - (c) the note of contract,
- during the period when the loan has not been fully repaid or when the contract for such loan has not been otherwise terminated, and must be able to produce the same to the Registrar for inspection on request.
19. 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 1967) of a company that carries on a business in Singapore as an estate agent; or
 - (b) a shareholder or a director of the licensee is an owner, a manager, a shareholder or a director of a firm or company that 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 (“MAS”).

20. Every licensee shall comply with Notice 632 and Notice 642 issued by the MAS 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, insofar as they relate to the said activities, shall be construed as constituting a part of this condition and references in the Notices to –

- (a) a “bank” shall be read as a reference to a “licensee”;
 - (b) “credit facility” shall be read as a reference to a “loan”; and
 - (c) “disburse monies under any credit facility” shall be read as a reference to “grant a loan”.
21. A licensee shall not ask its borrower to reveal, or obtain from the borrower, his confidential passwords, including SingPass and internet banking passwords.
22. No licensee shall request a loan applicant or borrower to obtain his own loan information report from the Moneylenders Credit Bureau for the licensee’s use or reference at any time.

Anti-Money Laundering, Countering Financing of Terrorism and Countering Financing of Proliferation of Weapons of Mass Destruction Controls

23. Every licensee shall comply with the Terrorism (Suppression of Financing of Terrorism) Act 2002 (“TSoFA”) and the regulations under the United Nations Act 2001 in the conduct of its business. To ensure compliance with the above legislation, every licensee shall have in place measures to prevent transacting with any person, in the conduct of its moneylending business, who is an individual and entity designated under the TSoFA and relevant United Nations Security Council Resolution (collectively known as “UN Sanctions Lists”) unless lawfully authorised to do so. Every licensee should regularly seek reference and updates from the UN Sanctions Lists that are made available at the website of the MAS, which may be accessed directly or through the link found at the Registry of Moneylenders’ website under the section “Anti-Money Laundering, Countering Financing of Terrorism and Countering Financing of Proliferation of Weapons of Mass Destruction Controls”.

24. The Registrar, MAS or a law enforcement agency in Singapore may, whenever necessary, extend to the licensees further lists of designated individuals and entities pursuant to the TSoFA, to which every licensee shall apply the same mitigating measures mentioned in Condition 23.
25. No licensee shall transact with individuals or entities mentioned in Conditions 23 and 24 unless lawfully authorised to do so. If a transaction with a designated individual or entity is made without lawful authorisation, the licensee shall “freeze”, without delay, assets and funds collected from these individuals or entities, and seek further instructions from the Suspicious Transaction Reporting Office or Police.

Prescribed third parties under section 69(3A)(b) of the Act and specified borrower information

26. For the purposes of section 69(3A)(b)(i) of the Act, every licensee is permitted to only disclose the following specified borrower information to the prescribed credit bureau(x) under rule 22CA of the Rules:
 - (a) Full Name;
 - (b) Date of birth;
 - (c) Personal identification number / Unique entity number (where applicable);
 - (d) Contact number;
 - (e) Residential / Registered / Business address;
 - (f) Loan amount;
 - (g) Information relating to any repayment of a loan granted by the licensee or any instalment of a repayment of such loan.
27. For the purposes of section 69(3A)(b)(ii) of the Act, every licensee is permitted to only disclose the following specified borrower information to the prescribed person(s) under rule 22CB of the Rules:
 - (a) Full name;
 - (b) Personal identification number;
 - (c) Loan amount;
 - (d) Information relating to any repayment of a loan granted by the licensee or any instalment of a repayment of such loan.

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1 March 2024