

PROPOSED AMENDMENTS TO THE PAWNBROKERS ACT (CAP 222)

S/n	Scope of Amendments	Reference Section(s)
A. Changes related to doing away with the auction system		
1.	<p>1.1 To allow pawnbrokers to forfeit all pledges that remain unredeemed after the redemption period.</p> <p>1.2 To remove the requirement for pawnbrokers to sell such pledges by auction and return the surplus to the pawners.</p> <p>1.3 In respect of each pledge that remains unredeemed after the redemption period, to require pawnbrokers to send a written notice to the pawner by acknowledgement of receipt registered post, the cost of which is to be borne by the pawnbroker, within 60 days after the expiry of the redemption period, to remind the pawner that the redemption period of the pledge has expired and the pledge is liable to be forfeited by the pawnbroker unless the pawner redeems the pledge or extends the redemption period on or before the expiry of the period of the notice which shall be no earlier than 30 days after the date of the notice. The notice shall also state the following matters:</p> <ul style="list-style-type: none"> (a) The business name of the pawnbroker, the address of the approved business premises at which the pawn transaction was carried out, and the fixed line telephone number or numbers of that premises. (b) The pawn ticket number and pledge reference number. (c) The expiry date of the redemption period of the pledge. (d) The amount to be tendered by the pawner to redeem the pledge or to extend the redemption period. (e) The address and business hours of the business premises where the pawner may redeem the pledge or extend the redemption period. (f) Such information as the Registrar may specify (e.g. an indicative valuation of the pledge as at the date of the notice). <p>1.4 To provide that pawnbrokers shall not demand, charge or collect interest for a period that exceeds the redemption period by more than 1½ months, in respect of the unredeemed pledges mentioned at paragraph 1.3.</p> <p>1.5 To provide that a pawnbroker who sells or otherwise disposes of an unredeemed pledge or is unable to produce or satisfactorily account for</p>	<p>Sections 18, 19, 20, 21, 22, 23, 24, 25, 33, 50.</p>

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	<p>such pledge without having given the notice under 8.2, or does so before the expiry of the period of notice given under 8.2, shall be guilty of an offence punishable with a fine not exceeding \$20,000.</p> <p>1.6 To provide for a transition period wherein pawnbrokers shall continue to dispose of, by auction, pledges which had been taken in before the implementation of the laws to allow the forfeiture of unredeemed pledges, and that remove the requirement to return the surplus to the pawners.</p>	
B. Changes related to the licensing of pawnbrokers		
2.	<p>2.1 To update the licensing regime of pawnbrokers by providing for the following:</p> <ul style="list-style-type: none"> (a) That the Minister may prescribe one or more classes or descriptions of licences, and the fee payable in respect of each class or description of licence. (b) That an application for the issue of a licence shall be made in such form and manner as may be determined by the Registrar, and accompanied by a non-refundable application fee of a prescribed amount, which shall be paid in such manner as may be specified by the Registrar. (c) That the Registrar may at any time, by notice in writing to the licensee, vary or revoke any of the existing conditions of the licence or impose new conditions. <p>2.2 To provide that the Registrar may specify the validity period of a licence, rather than be restricted to a validity period of one year. This will give the Registrar the flexibility to grant licences with longer validity period of up to, say, 3 years.</p> <p>2.3 To provide the following as grounds on which Registrar may reject an application to obtain a licence:</p> <ul style="list-style-type: none"> (a) The applicant is not a company with an issued and paid-up capital of not less than such sum as may be prescribed under the rules. (The prescribed minimum sums will be as per those currently imposed administratively, i.e. \$2m for the applicant's first pawnshop, and \$1m for each additional pawnshop.) (b) The applicant, its directors, managers, substantial 	Sections 8, 9

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	<p>shareholders and employees, are not of good character and are not fit and proper persons to carry on or manage, the business of pawnbroking.</p> <p>(c) The applicant, its directors, substantial shareholders, and employees, have, whether in Singapore or elsewhere, been convicted of an offence under this Act or an offence involving fraud or dishonesty, whether or not it or he has appealed against the conviction.</p> <p>(d) The applicant has contravened or its directors, substantial shareholders have been a director, substantial shareholder of a pawnbroker that has contravened any provisions of this Act, whether or not the applicant or the pawnbroker has also been prosecuted for or convicted of any offence under the Act.</p> <p>(e) The applicant has failed to comply with any condition of its pawnbroking licence.</p> <p>(f) The applicant has made a false or misleading statement in a material particular in its application for the licence.</p> <p>(g) The premises to be licensed are not suitable for the conduct of a pawnbroking business and do not comply with such security requirements as may be prescribed.</p> <p>(j) The applicant does not obtain insurance against damage, theft or loss of pledges of such amount and extent of coverage from such class or classes of insurers as the Registrar may specify.</p> <p>(k) The applicant has not placed with the Accountant-General security of a sum of \$100,000, or such other sum as may be specified by the Registrar, in respect of each of its premises, as a deposit for the proper conduct of its business under the licence, and for the due performance of its obligations to its pawners and other creditors. The security may be furnished by way of a cash deposit or a bank guarantee in a form specified by the Registrar, or in such other manner as the Registrar may allow.</p> <p>(l) The applicant has not paid a prescribed licence fee.</p> <p>(m) The applicant does not satisfy the requirements of the class or description of the licence applied for.</p> <p>2.4 To continue to provide that the Registrar may, in his discretion, refuse to grant or renew a licence in respect of any applicant without assigning any reason.</p> <p>2.5 To allow the applicant or an existing licensee to do the following</p>	

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	<p>with Registrar's prior written approval:</p> <ul style="list-style-type: none"> (a) Carry on any business other than that of pawnbroking. This is to ensure that pawnbrokers do not engage in non-core businesses which may incur losses which will pose a risk to the security and integrity of the pledges kept by the pawnbroker. (b) Use the premises for the conduct of any business other than that of pawnbroking. This is to relax the original blanket prohibition against the conduct of any other businesses on the premises, so that pawnbrokers can engage in businesses which are incidental to their business of pawnbroking, e.g. the purchase and sale of second-hand goods. 	
3.	<p>3.1 To stipulate the following as grounds on which the Registrar may cancel a licence or forfeit a licensee's security deposit:</p> <ul style="list-style-type: none"> (a) The pawnbroker's business is being conducted in an improper or unsatisfactory manner. (b) The pawnbroker has been convicted of an offence under this Act, or any of the directors, substantial shareholders, in the pawnbroker, or any of the directors or substantial shareholders of a holding corporation of a pawnbroker, has been convicted of an offence under this Act or an offence, whether in Singapore or elsewhere, involving fraud or dishonesty, or the conviction for which involved a finding that he had acted fraudulently or dishonestly. (c) The pawnbroker has contravened any provisions of this Act, whether or not he has been prosecuted for or convicted of any offence under the Act. (d) The pawnbroker has made a false or misleading statement in his application for the licence. (e) The pawnbroker has failed to comply with any of the conditions of its licence. (f) Since the grant of the licence, the pawnbroker or the premises has ceased to comply with any of the requirements applicable in the application for the licence. (g) The pawnbroker has not commenced its business for a continuous period of 6 months (or such longer period as the Registrar may allow) after the grant of the licence. (h) The pawnbroker has ceased its business or has informed the Registrar in writing that it will cease its business by a 	Section 10

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	<p>specified date.</p> <ul style="list-style-type: none"> (i) Where the pawnbroker has entered into a composition or arrangement with its creditors. (j) Where any receiver, receiver and manager, or an equivalent person, has been appointed, whether in Singapore or elsewhere, in relation to or in respect of the property of the pawnbroker. (k) Where an application has been made or a resolution passed for the pawnbroker to be wound up. <p>3.2 To set out the procedures of appeal against the cancellation of licence or forfeiture of security deposit:</p> <ul style="list-style-type: none"> (a) The Registrar shall, before cancelling a licence and forfeiting the security give the pawnbroker notice in writing of his intention to do so, specifying a date, not less than 21 days after the date of the notice, upon which the cancellation and forfeiture shall take effect unless the pawnbroker shows cause to the Registrar why his licence should not be cancelled and why his security should not be forfeited. (b) Where the pawnbroker has shown cause, the Registrar may, instead of cancelling the licence or forfeiting the security, or both, impose a penalty not exceeding \$20,000 on the pawnbroker and may recover the penalty from the security. (For the avoidance of doubt, where the security is provided in the form of a bank guarantee, it shall be lawful for the Registrar to call on the bank guarantee any number of times for the purpose of forfeiting the security or any part of it for the purpose of recovering the penalty.) (c) Where the Registrar decides to cancel the licence or forfeit his security even after the pawnbroker has shown cause, he shall notify the pawnbroker of his decision in writing and specify a date, not less than 14 days after the date of the notice, upon which the cancellation or forfeiture, or both, shall take effect. The pawnbroker may, within 14 days after the date of this notice, appeal in writing against the cancellation or forfeiture, or both, to the Minister whose decision shall be final. (d) If the pawnbroker appeals to the Minister, the decision appealed against shall not take effect unless it is confirmed by the Minister, or the appeal is for any reason dismissed by the Minister or is withdrawn. 	

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	<p>3.3 To clarify that where a pawnbroker lawfully continues to carry on the business of pawnbroking under this Act after his security deposit or any part thereof has been forfeited or deducted in recovery of the penalty, he shall restore to the full amount as required under this Act by placing with the Accountant-General an appropriate amount in such form and within such time as the Registrar may require.</p> <p>3.4 To clarify that the expiry or cancellation of a licence shall not affect the duties and liabilities of the pawnbroker and its directors, or persons who were its directors within 6 months of the expiry, cancellation or lapsing of the licence, under this Act.</p>	
4.	<p>4.1 To formalise the procedure for the renewal of licences:</p> <ul style="list-style-type: none"> a) The Registrar may determine the form and manner in which a licensee shall apply for the renewal of its licence. b) Every licensee must notify the Registrar at least one month before the expiry of his licence if it does not wish to renew its licence. c) The Registrar may renew a licence with or without conditions, or he may refuse to renew a licence. d) The Registrar shall not renew a licence — <ul style="list-style-type: none"> i) Where the applicant has not paid the prescribed licence fee; ii) Where any information or statement furnished by the licensee that is material to his application for the renewal of his licence under this section is incomplete, false or misleading; or iii) Where the licensee ceases to satisfy the requirements of the class or description of the licence to be renewed. e) Upon the renewal of a licence, the licence shall continue to be valid for such further prescribed period as may be specified by the Registrar. 	New section
5.	<p>5.1 To provide for the concept of automatic lapsing of a licence upon the winding up of the pawnbroker, and to provide that the Registrar have the discretion, upon the lapsing of the licence, to forfeit the security placed by the pawnbroker with the Accountant-General.</p> <p>5.2 To provide that the duties and liabilities of the pawnbroker and its directors (and persons who were directors within 6 months of the</p>	New section

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	lapsing of the licence) carry on notwithstanding the lapsing.	
6.	<p>6.1 To impose duties on pawnbrokers to notify the Registrar of changes in its profile, or of any bankruptcy order made against any of its directors or substantial shareholders. Specifically, pawnbrokers shall, within 14 days of the date of occurrence of the following events, notify the Registrar in writing of:</p> <ul style="list-style-type: none"> (a) A change of its business name. (b) A transfer of shares to or by an existing shareholder of the pawnbroker or its holding corporation.* (c) An allotment of shares to an existing shareholder of the pawnbroker or its holding corporation.* (d) The allotment of shares to or the acquisition of shares by a new shareholder of the pawnbroker or its holding corporation.* (e) A person ceasing to be a shareholder of the pawnbroker or its holding corporation.* (f) The appointment or resignation of a director, officer or manager of the pawnbroker or its holding corporation. (g) Any person becoming a substantial shareholder of the pawnbroker or its holding corporation. (h) Any substantial shareholder of the pawnbroker or its holding corporation increasing or reducing his substantial shareholding. (i) The making of a bankruptcy order against any director, or substantial shareholder of the pawnbroker or its holding corporation. <p>(* Where a pawnbroker is a public-listed company or a subsidiary thereof, the reference to a shareholder shall be a reference to a substantial shareholder only.)</p> <p>6.2 To provide that any pawnbroker who, without reasonable excuse, contravenes the above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.</p>	New section
7.	<p>7.1 To provide for the disqualification of certain persons to be involved in the pawnbroking business. Specifically, no person shall act as a manager, director or other officer, or manage or assist in the management of, or become a substantial shareholder of, a pawnbroker, or of a company that is a holding corporation of a pawnbroker, if he has been convicted, whether in or outside Singapore,</p>	New section

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	<p>of an offence involving fraud or dishonesty, whether or not he has appealed against his conviction, unless he has first obtained the written permission of the Registrar.</p> <p>7.2 To prohibit pawnbrokers from knowingly employing or engaging the services of, or allot shares to any person, who has been convicted of an offence involving fraud or dishonesty, without the written permission of the Registrar. To further require a pawnbroker to, within 7 days of coming to know of a conviction of any of the abovementioned persons, notify the Registrar in writing of the conviction.</p> <p>7.3 To provide that any substantial shareholder of a pawnbroker, or any shareholder of a holding corporation of a pawnbroker, who has been convicted of an offence involving fraud or dishonesty, shall not remain as such substantial shareholder or shareholder, after the expiry of his window to appeal against his conviction or after the dismissal of his appeal, whichever is later. In such cases, the substantial shareholder shall dispose of his shares to the extent that he ceases to be such substantial shareholder, within 14 days of the date when he becomes disqualified from remaining as substantial shareholder, and shall not thereafter acquire any shares, or any beneficial title or interest in any shares, in the pawnbroker or any holding corporation of the pawnbroker, such that he becomes a substantial shareholder of such company.</p> <p>7.4 To make breach of the above requirements an offence, punishable with imprisonment of up to 6 months and/or a fine of up to \$20,000, and/or a further fine of \$500 for every day the offence continues after conviction.</p>	
8.	8.1 To make it an offence, punishable with a fine not exceeding \$20,000, for a licence applicant to make a material false or misleading statement or an omission in his application.	New section
C. Changes to simplify the business of pawnbroking		
9.	9.1 To simplify the procedure for a pawner or holder of a pawn ticket to replace a pawn ticket which is lost, mislaid, destroyed, stolen or fraudulently taken from him, by doing away with the requirement for the pawner to obtain a statutory declaration administered before a notary public or commissioner for oaths. Under the new procedure, the	Section 30

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	<p>pawner may use a prescribed form to apply to the pawnbroker for a replacement pawn ticket, upon payment of a prescribed charge. The application shall contain sufficient particulars of the pawn transaction, including a description of the pledge, the date it was pawned, the pledge number or the pawn ticket number, and a description of the circumstances under which the applicant is not holding or not in possession of the pawn ticket. Where an applicant alleges that a pawn ticket has been stolen or fraudulently taken, the application shall be accompanied by a copy of a police report made by the applicant setting out the circumstances of the theft or fraud. The pawnbroker shall in turn satisfy itself of the identity of the applicant and the truth of the application and if necessary, request the applicant to produce to it proof of his identity and proof of purchase or ownership of the goods comprised in the pledge.</p>	
10.	<p>10.1 To simplify the existing requirements under section 14(1)(b) for pawnbrokers to display its business name and the words “Licensed Pawnbroker”, by:</p> <ul style="list-style-type: none"> a) Allowing the requisite information to be displayed on a sign and not necessarily on a signboard. b) Requiring the sign to be in English only, and doing away with the need for it to also be in Chinese Malay and Tamil. c) Requiring the sign to be affixed in a conspicuous position of the pawnshop, rather than prescribing that it be placed at or above the outer door of the pawnshop. <p>10.2 To provide that any breach of the above requirements will continue to be an offence.</p>	New section
11.	<p>11.1 To simplify the existing requirement under Rule 17(2) of the Pawnbrokers Rules for pawnbrokers to secure a guarantor for a loan exceeding \$200 to vouch that the pledged item is not stolen property, by requiring pawnbrokers to make inquiries of their prospective pawners as to their identities, ownership and/or possession of the pledge, and to require production of such proof of ownership or authority to pledge the goods, to satisfy themselves that the pledge is not stolen property.</p> <p>11.2 To also require pawnbrokers to conduct inquiries of persons seeking to redeem a pledge, where these persons are different from</p>	New section

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	<p>the pawner, as to his identity and possession of the pawn ticket.</p> <p>11.3 To provide that any breach of the above requirements will continue to be an offence.</p>	
D. Changes related to pawnbroking operations		
12.	<p>12.1 To set out and expand on the pawnbrokers' duties as regards the issuance of pawn tickets, currently prescribed under the Pawnbrokers Rules. Specifically, pawnbroker shall be required on taking a pledge in pawn to issue to the pawner a pawn ticket and, on extending the redemption period of a pawn, issue to the pawner a new pawn ticket; further, a pawnbroker shall not take a pledge in pawn or extend the redemption period of a pawn unless the pawner takes the pawn ticket.</p> <p>12.2 To require the pawnbroker to print on the pawn ticket the following in clear and legible characters in the English language:</p> <ul style="list-style-type: none"> (a) The pawnbroker's business name, the address of the business premises at which the pawner had carried out the pawn transaction, and the fixed line telephone number or numbers at such premises. (b) The pawnbroker's pledge reference number. (c) The full name, personal identity document number, gender, nationality and residential address of the pawner. (d) The amount of the loan. (e) The date on which the loan was advanced. (f) A description of the pledge, including any detached or detachable components, and in particular, the materials it is made of, the qualities of the materials, its measurable specifications, such as weight and size, its observable distinguishing marks, such a brand, trade mark, hallmark, inscription, engraving or serial number, and its colour. (The materials which the goods is made of and the qualities of the materials shall be recorded only if these are known to the pawnbroker after using all reasonable diligence to ascertain those matters.) (g) Such other information relating to the pledge or its value as the Registrar may require (e.g. an indicative valuation of the pledge as at the date of the pawn). (h) The interest rate and the monthly interest amount payable by the pawner on the loan taken from the pawnbroker, 	Section 15

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	<p>expressed as a percentage and as an amount in dollar terms per month. (The interest rate payable shall be no higher than the prescribed maximum interest rate at the time the pledge is taken in pawn or the time the redemption period of the pawn is extended.)*</p> <p>(i) The type of charges that are or may become payable by the pawner. (The charges payable shall be no higher than the prescribed maximum charges at the time the pledge is taken in pawn or the time the redemption period of the pawn is extended.)*</p> <p>(j) The redemption period and the last date of redemption of the pledge.*</p> <p>(k) Such other information as may be required under the rules.</p> <p>(* The information in (h), (i) and (j) shall also be printed on the pawn ticket in legible characters in the Chinese, Malay and Tamil languages.)</p> <p>12.3 To require that every pawn ticket have printed on it or on a separate sheet of paper affixed to it, in clear and legible characters, such form of the terms and conditions of the pawn and in such font type and size as may be prescribed under the rules.</p> <p>12.4 To provide that any contravention of the above requirements will be an offence.</p>	
13.	<p>13.1 To require pawnbrokers to issue receipts for payments of the loan and interest, even if not asked for by the pawner, and even upon extension of the redemption period (i.e. not just at the time of redemption of the pledge). Further, to make it an offence for a pawnbroker to fail to issue such receipts.</p> <p>13.2 To make it an offence for a pawnbroker to charge any interest or fee in excess of or other than the prescribed fees.</p>	Section 16
14.	<p>14.1 To clarify that every pledge, regardless of the loan amount for which it was pawned, shall be redeemable within such period as may be agreed upon at the time of pawning, provided the period is no less than 6 months from the day of pawning (excluding that day).</p> <p>14.2 To further provide that where the last day of redemption of a</p>	Section 17

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	pledge falls on a day when a pawnbroker is closed for business (e.g. a public holiday), the last day of redemption will be deemed the next business day of the pawnbroker, who cannot charge the pawner additional interest.	
15.	<p>15.1 To remove the exception currently applicable to loans not exceeding \$50, in respect of the following offences:</p> <ul style="list-style-type: none"> (a) A pawnbroker substituting a pledge or any part of it with another article. (b) A pawnbroker tampering with or destroying a pledge, or without lawful authority, wilfully causing a pledge to be taken out of the safe custody of its premises, or being unable to satisfactorily account for a pledge that was missing from its custody or possession. (c) A pawnbroker rendering a pledge of less value than it was at the time of the pawning by or through his wilful misconduct. (d) A pawnbroker entering in his records a pledge as redeemed when it was not. 	Section 25
16.	<p>16.1 To extend the presumption of entitlement to redeem a pledge (which currently applies to the holder of a pawn ticket), to the holder of a replacement pawn ticket. Pawnbrokers will continue to be obliged to deliver the pledge to the person producing the pawn ticket (or replacement pawn ticket), upon receiving payment of the outstanding loan and interest.</p> <p>16.2 To qualify that a pawnbroker who delivers a pledge on the production of a pawn ticket (or a replacement pawn ticket) with the necessary payments, discharges its obligations under the pawn ticket and obtains indemnity against any further claims made under the pawn ticket, unless it can be shown that the delivery of the pledge was as a result of negligence or fraud of the pawnbroker or its employee or agent, e.g. a pawnbroker failing to cancel its copy of an original pawn ticket on the issue of a replacement ticket and releasing the pledge on the production by a person of the original ticket.</p>	Sections 26, 27
17.	17.1 To extend pawnbrokers' liability to compensate to pawners for damage, destruction or loss of pledges, so that pawnbrokers are not just liable in cases where the damage, destruction or loss is caused by fire, but also by other causes, e.g. the wilful or negligent act of the staff.	Section 28

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	<p>In such cases, the amount which the pawnbroker is liable to compensate will continue to be the value of the pledge (deemed to be one-half more than the amount of the loan) less the amount of the loan and interest.</p>	
18.	<p>18.1 To clarify that a Magistrate’s Court may also award compensation to a pawner who has redeemed (and not just to pawner seeking to redeem) a pledge which has depreciated in value due to neglect, wilful misconduct or default on the part of the pawnbroker. As per the existing provision, the amount awarded shall, as the case may require, either be set off against the amount payable to the pawnbroker or be paid by the pawnbroker.</p> <p>18.2 To further clarify that the court may make the award in any proceedings, whether civil or criminal, whatever the cause of action, and whether the claim or loss of value has been specifically pleaded or otherwise.</p>	Section 29
19.	<p>19.1 To remove the following prohibitions which currently apply to pawnbrokers:</p> <ul style="list-style-type: none"> a) Buying pawn tickets, whether issued by themselves or by other pawnbrokers b) Buy pledges which they have taken in pawn. c) Operating outside the hours from 8am to 8pm. <p>19.2 To raise the maximum fine of the following offences from \$5,000 to \$20,000:</p> <ul style="list-style-type: none"> a) Taking an article in pawn from any person who appears to be intoxicated, or from a person apparently below the age of 16 years. b) Making any agreement with a pawner to buy, sell or dispose of a pledge within the redemption period. c) Selling, pawning or otherwise disposing of any pledge pawned with him except at such time and in such manner as authorised by this Act. d) Making an advance upon any article pledged with him otherwise than in money which is legal tender in Singapore. 	Section 33

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20.	<p>20.1 To refine the existing requirements under section 14(1)(c) for pawnbrokers to display the maximum interest rate it is allowed to charge, in the four official languages, by:</p> <ul style="list-style-type: none"> a) Requiring pawnbrokers to also display the actual interest rate it actually charges. b) Requiring pawnbrokers to display the maximum interest rate allowed and the actual interest rate charged in a prominent location in or outside the pawnshop, rather than in some convenient location near or visible to all corners of the pawnshop. 	New section
E. Changes to enhance Registrar’s regulation of pawnbrokers		
21.	<p>21.1 To tighten pawnbrokers’ requirements pertaining to record keeping, the breach of which shall be an offence, by requiring pawnbrokers to keep and use in his business such records in the English language and in electronic form, and in such other form and manner as may be prescribed under the rules, which shall include the following:</p> <ul style="list-style-type: none"> (a) The full name, age, gender, residential address, identity number, telephone number and such other particulars of the pawner so as to enable the pawnbroker to identify and communicate with him.* (b) If the pawner pawns the pledge on behalf of his principal, the name, residential address (if the principal is an individual), identity number, place of incorporation or registration and the address of the registered office or place of business (if the principal is a body corporate or unincorporated) and telephone number of his principal.* (c) A description and the pawnbroker’s reference number of the pledge together with any detached or detachable components, and in particular, the materials it is made of and the qualities of the materials, its measurable specifications, such as weight and size, its observable distinguishing marks, such as brand, trade mark, hallmark, inscription, engraving or serial number, and its colour. The pawnbroker shall use reasonable diligence to make all inquiries and obtain all such expert evaluation and valuation necessary for that purpose. Further, the pawnbroker shall not record the materials which the pledge is made of or the qualities of the materials if these are unknown to the 	Section 14

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	<p>pawnbroker even after using all reasonable diligence to ascertain those matters.</p> <p>(d) The amount of the loan and date of its disbursement.</p> <p>(e) The rate of interest chargeable.</p> <p>(f) The period of redemption and last date of redemption.</p> <p>(g) If the pledge was redeemed, the date of redemption and if the person redeeming the pledge is a different person from the pawner, the name, address, identity number and telephone number of the person who redeemed the pledge.*</p> <p>(* "Identity number" shall mean, (i) in the case of an individual, his NRIC number, birth certificate number or passport number; and (ii) in the case of a body corporate, partnership, limited partnership or unincorporated association, its incorporation or registration number.)</p> <p>21.2 To require that pawnbrokers obtain from the pawner reliable and independent documentary evidence in support of all information provided and verify the information against such evidence.</p> <p>21.3 To require that pawnbrokers keep their records for at least 5 years from the time they are created, and in the case of records relating to loans, from the time the pledge is redeemed. Further, the records shall be kept in the premises of the pawnshop to which the record relate, unless otherwise directed or approved by the Registrar.</p>	
22.	<p>22.1 To refine the existing requirements for pawnbrokers to submit their monthly returns, by allowing for the form and manner of the returns to be prescribed under the rules, and to provide that a breach of this requirement will continue to be an offence.</p>	New section
23.	<p>23.1 To require pawnbrokers to, at its own expense, appoint annually an auditor to carry out an audit of the transactions in its business. Every pawnbroker shall within three months, or such longer period as may be allowed by the Registrar, after the close of its financial year, submit to the Registrar a copy of the audited statement of accounts of its pawnbroking business in the financial year immediately ended, which shall contain a certification by the auditor as to whether or not the stock of pledges taken in by the pawnbroker is intact and in order.</p>	New section

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	<p>23.2 To further provide that the Registrar may require the appointed auditor to do the following, also at the pawnbroker’s own expense:</p> <ul style="list-style-type: none"> (a) Submit to the Registrar such information as he may require in relation to the audit carried out by him; (b) Enlarge or extend the scope of his audit of the business and affairs of the pawnbroker; (c) Carry out any examination or establish any procedure in any particular case; and (d) Submit to the Registrar a report of his audit or a report on any matter referred to in paragraphs (b) and (c). The pawnbroker shall ensure that the auditor submits the report in such form and within such time as may be required by the Registrar. <p>23.3. To make any breach of the above requirements an offence.</p>	
24.	<p>24.1 To give the Registrar the power to issue directions either of a general or specific nature, to any pawnbroker for or in respect of every purpose for which the Registrar considers necessary for carrying out the provisions of this Act, e.g. on matters pertaining to the manner in which any pawnbroker shall conduct the business of pawnbroking. Failure or refusal to comply with any such direction shall be an offence punishable with a fine not exceeding \$20,000.</p>	New section
F. Changes related to the discontinuance of pawnbroking operations		
25.	<p>25.1 To refine the obligations of a pawnbroker to facilitate the redemption of pledges pawned with it, from the discontinuance of a licence to the day every pledge held by him has been redeemed or the last day of expiry for the redemption of all pledges:</p> <ul style="list-style-type: none"> a) By clarifying that the pawnbroker must keep its licensed premises open daily from 8am to 6pm, and that the pawnbroker is allowed to keep the premises open beyond 6pm. b) By allowing the pawnbroker to not open its licensed premises on Sundays and Public Holidays. c) By clarifying that the pawnbroker shall continue to be subject to the duties and liabilities and exercise the rights and privileges of a licensed pawnbroker, except that it may 	Section 12

S/n	Scope of Amendments	Reference Section(s)
	not grant new loans or receive new pledges.	
26.	<p>26.1 To refine the existing provision which allows the Registrar to order a formerly licensed pawnbroker to deliver to any police officer or any officer all its pledges and records for the purpose of administering the redemption of the pledges and disposal of the pledges, by allowing the Registrar to order that the taking over and administration of the pledges be also performed by any person or by any one or more other licensed pawnbrokers.</p> <p>26.2 To provide that where at the time of the order, the former pawnbroker is without any director able to act, due to resignations or disqualifications, such persons who had been directors within 6 months of the expiration, cancellation or lapsing of the licence shall comply with the order.</p> <p>26.3 To provide that any person assisting in the redemption and disposal of the pledges shall within 6 months of the last day of redemption of all the pledges, and upon deduction of the fees due to him, hand over to the discontinuing pawnbroker, an account of all sums received from the redemption and disposal of the pledges, pay the net amount over to the discontinuing pawnbroker in settlement of the account, and return all records and accounts. The assisting person shall forward to the Registrar a copy of the accounts and a written acknowledgement of receipt of the accounts and payments by the discontinuing pawnbroker.</p> <p>26.4 To provide that where a liquidator, receiver or receiver and manager has been appointed to the discontinuing pawnbroker or in respect of its property, the assisting person shall deliver the accounts of the redemption and sale of pledges, the payments in settlement of these accounts and the books and accounts of the discontinuing pawnbroker, to the liquidator, receiver, receiver and manager, as the case may be.</p>	Section 13
G. Changes to provisions which prevent illicit activities		
27.	<p>27.1 To make it an offence, punishable with imprisonment of up to 5 years or a fine or both, for a person to pawn stolen property and for a pawnbroker to take in stolen property.</p> <p>27.2 To continue providing that it be an offence, punishable by a fine</p>	Section 34

S/n	Scope of Amendments	Reference Section(s)
	<p>not exceeding \$2,000, for any person to knowingly pawn the property of another person without his authorisation.</p> <p>27.3 To provide that where a person is convicted of the above offences, the court may, in addition to any punishment imposed, order him to pay by way of compensation to the owner any sum not exceeding the full value of the pledge as ascertained by the court, such sum to be levied and taken in the same manner as a fine.</p>	
28.	<p>28.1 To remove the outdated blanket prohibition against the taking in of linen, apparel and unfinished goods or material entrusted to any person to wash, scour, iron, mend, etc. The prohibition fails to make any distinction as to whether such property is stolen or pledged without authority.</p>	Sections 38, 39
29.	<p>29.1 To remove the provision which makes it an offence for a whistleblower in relation to any offence under this Act to receive any sum of money or other reward for compounding, delaying or withdrawing the information. The provision is not necessary, as it is already covered by section 5 of the Prevention of Corruption Act (Cap 241) and section 213 of the Penal Code (Cap 224).</p>	Section 42
30.	<p>30.1 To clarify that the Police need not furnish information to pawnbrokers on every property reported lost or stolen in Singapore, and that the discretion be left to the Police to do so.</p>	Section 45
31.	<p>31.1 To provide that where an offence under this Act or the rules has been committed, any person who at the time of the commission of the offence was a director, secretary, manager or other officer of the company, or any person who was purporting to act in any such capacity, shall be liable to be proceeded against and punished, unless he proves the following:</p> <ul style="list-style-type: none"> (a) That the offence was committed without his consent or connivance; and (b) That he exercised such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his function in that capacity and to all the circumstances. 	New section

S/n	Scope of Amendments	Reference Section(s)
	<p>31.2 To provide that any person who would have been guilty of an offence if anything had been done or omitted to be done by him personally shall be guilty of that offence and shall be liable to the same penalty if such thing had been done or omitted to be done by his agent or employee in the course of his employment* unless he proves the following:</p> <p style="padding-left: 40px;">(a) That the offence was committed without his knowledge or consent; and</p> <p style="padding-left: 40px;">(b) That he took all reasonable precautions to prevent the doing of or omission to do such thing.</p> <p>(* Nothing shall relieve any agent or employee from any liability for an offence.)</p> <p>31.3 To provide that where it is proved to the satisfaction of the court that any business of the pawnbroker has been carried on with the intention of defrauding any pawner, or any other person, or for any fraudulent purpose, the court may, on the application of any person who has thereby suffered any loss, declare that any of its directors, whether past or present, who was knowingly a party to the carrying on of the business in that manner, or any of its directors, secretaries, managers or other officers, whether past or present, who has caused the business of the pawnbroker to be carried on in that manner, shall be personally responsible, without any limitation of liability, for all or any of the losses suffered by the applicant. Where the court makes such a declaration against any person, the amount which such person is liable to pay shall be enforceable as a judgement debt.</p>	
H. Technical changes		
32.	<p>32.1 To formalise the definitions of new terms which will be introduced in the Act, viz.:</p> <p style="padding-left: 40px;">(a) “company”, “corporation”, “director” and “shareholder” and “substantial shareholder” to have the same meanings as in the Companies Act (Cap.50).</p> <p style="padding-left: 40px;">(b) “interest” to mean “any amount by whatsoever name called in excess of the principal paid or payable to a pawnbroker in consideration of or otherwise in respect of the loan, but does not include any fee which pawnbrokers are permitted to charge under this Act”).</p>	Section 2

S/n	Scope of Amendments	Reference Section(s)
	<p>(c) “premises” to be used in place of “shop”, and to have a meaning which includes “a shop, office, strata-titled unit or any place where a pawnbroking business is carried on.</p> <p>32.2 To clarify the definition of existing terms used in the Act, viz.:</p> <p>(a) “pawnbroker” to be defined more comprehensively under Section 3.</p> <p>(b) “pledge” to mean “goods delivered to, or received or held by a pawnbroker as security for a loan”.</p>	
33.	<p>33.1 To refine the definition of pawnbroking under the Act as follows:</p> <p>(a) Restricting pawnbroking to the taking in of items where it is done as part of a business.</p> <p>(b) Raising the \$1,000 quantum cap (which exists to exclude commercial pledge loans from the Act) to \$20,000. This is to account for inflation.</p> <p>(c) Excluding lenders which are already regulated under other laws, e.g. banks and financial institutions.</p> <p>(d) Removing an existing exclusion which applies to secured loans exceeding \$100 where the interest rate does not exceed 10% per annum. There is a need to also regulate loans with low interest rates, since the pledges in such cases can also be valuable.</p>	Section 3
34.	<p>34.1 To remove the outdated requirement for the Minister to present to Parliament as soon as possible any amendment to the interest rate and charges which pawnbrokers are allowed to impose, so that Parliament has the opportunity to annul the order. The provision also expressly states that any annulment will be without prejudice to the validity of anything previously done while the changes were in effect. The sub-section is deleted as it is unnecessary in today’s context. If the rate of interest and charges specified by the Minister are unacceptably high, the matter may be raised in Parliament and debated, and if the concerns and reservations expressed are legitimate, the Minister may be convinced to rescind the order. It is also understood that any subsequent rescission of the order does not invalidate anything previously done pursuant to the order.</p>	Section 16

S/n	Scope of Amendments	Reference Section(s)
35.	35.1 To remove the power of the court to summarily examine a pawnbroker and order it to pay a fine if the pawnbroker is found to have taken in stolen property because it did not exercise due care. It is more appropriate that in such cases, the pawnbroker should be referred to the Registry or the police for investigations into any offence under the Act or the Penal Code.	Section 31
36.	<p>36.1 To remove the redundant provision whereby any penalty recovered under this Act, not directed to be otherwise applied, may be applied under the direction of the Magistrate’s Court in which it is recovered, as follows:</p> <p style="padding-left: 40px;">(a) Where the complainant is the party aggrieved, a sum not exceeding one-half of the penalty may be paid to him;</p> <p style="padding-left: 40px;">(b) Where the complainant is not the party aggrieved, there shall be paid to him no part or such part only of the penalty as the Court thinks fit.</p>	Section 41
37.	37.1 To refine an existing provision under section 8 by raising the maximum fine for unlicensed pawnbroking from \$20,000 to \$50,000, to account for inflation.	New section