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CONSUMER PROTECTION (FAIR TRADING) ACT
(CHAPTER 52A)

CONSUMER PROTECTION
(FAIR TRADING) (MOTOR VEHICLE DEALER DEPOSITS)
REGULATIONS 2009

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definitions
3. Information requirement
4. Retention of deposit by motor vehicle dealer
5. Burden of proof on motor vehicle dealer

In exercise of the powers conferred by sections 18A(2) and 20 of the Consumer Protection (Fair Trading) Act, the Minister for Trade and Industry hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Consumer Protection (Fair Trading) (Motor Vehicle Dealer Deposits) Regulations 2009 and shall come into operation on 15th April 2009.

Definitions

2. In these Regulations —

“financial institution” includes any person whose business is that of moneylending;

“motor vehicle” has the same meaning as in section 2 of the Road Traffic Act (Cap. 276);

“motor vehicle dealer” means a supplier of motor vehicles;

“motor vehicle sale contract” means a contract between a consumer and a motor vehicle dealer for the sale of a motor vehicle to the consumer.

Information requirement

3.—(1) A motor vehicle dealer shall, before collecting any deposit from a consumer in relation to or in contemplation of a motor vehicle sale contract, inform the consumer in writing of the terms of the refund policy of the motor vehicle dealer in respect of the deposit.

(2) Any ambiguity in the terms of the refund policy provided under paragraph (1) shall be interpreted against the motor vehicle dealer.

Retention of deposit by motor vehicle dealer

4.—(1) A motor vehicle dealer shall not exercise any right to retain a deposit, or any part of a deposit, paid by a consumer in relation to or in contemplation of a motor vehicle sale contract unless the motor vehicle dealer has complied with regulation 3.

(2) Subject to this regulation, a motor vehicle dealer shall not exercise any right to retain a deposit, or any part of a deposit, paid by a consumer in relation to or in contemplation of a motor vehicle sale contract involving financing arranged by the motor vehicle dealer on behalf of the consumer, unless the motor vehicle dealer has —

- (a) within a reasonable time, applied for a loan from a financial institution on behalf of the consumer in respect of the motor vehicle sale contract on the terms agreed by the consumer; and
- (b) if the loan application was rejected by the financial institution, provided the consumer upon his request with a written statement from the financial institution in accordance with paragraph (3).

(3) The written statement referred to in paragraph (2)(b) shall contain the following particulars:

- (a) name of the financial institution;
- (b) name of the motor vehicle dealer, its address and the business registration number, company registration number or other equivalent registration number of the motor vehicle dealer;
- (c) name of the buyer, his address and his NRIC number, FIN number or passport number;

- (d) the make and model of the motor vehicle and its selling price;
- (e) the date when the application for the loan was made;
- (f) the amount of the loan applied for; and
- (g) a statement that the loan has been rejected.

(4) Paragraph (2) shall not apply if the motor vehicle dealer proves that his failure to comply with the requirements of paragraph (2)(a) and (b) did not cause or contribute to the circumstances resulting in the retention of the deposit.

Burden of proof on motor vehicle dealer

5. Section 18A of the Act shall apply to the requirements in regulations 3(1) and 4 so that the motor vehicle dealer shall bear the burden of proving that he has complied with those requirements where any dispute arises thereto in any proceedings between the motor vehicle dealer and a consumer in relation to a consumer transaction.

Made this 13th day of February 2009.

PETER ONG
*Permanent Secretary,
Ministry of Trade and Industry,
Singapore.*

[MTI/121/14-1-5 PT2 V2; AG/LRRD/15/2001/14]