

HIRE-PURCHASE ACT

(CHAPTER 125)

An Act to regulate the form and contents of regulated agreements and conditional sale agreements, the rights and duties of parties to such agreements and for matters connected therewith.

[15th October 1969]

PART I

PRELIMINARY

Short title and application

1. —(1) This Act may be cited as the Hire-Purchase Act.

(1A) This Act shall apply to regulated agreements made on or after the [date of commencement of the amendment Act].

regulated agreement(2) This Act shall not apply to any regulated agreement—

(a) unless the regulated agreement relates to the goods specified in the First Schedule; or

(b) if the hirer is engaged in the trade or business of selling goods of the same nature or description as the goods comprised in the agreement.

[HPA, current s.1(2) and paragraph (b) of definition of “hire purchase agreement”. The word “hirer”, defined in section 2, replaces “the person by whom the goods are being hired or purchased”.]

(3) The Minister may by order amend, vary, delete or add to any of the Schedules.

(4) The Minister may, in any order made under subsection (3), make such transitional and savings provisions as he may consider necessary or expedient.

Interpretation

2. —(1) In this Act, unless the context otherwise requires —

"action" includes counterclaim and set-off;

"business day" means any day other than a Saturday, Sunday or public holiday;

“buyer” and “seller” includes a person to whom rights and duties under a conditional sale agreement have passed by assignment or operation of law;

[UKSOGITA, these terms are used in the definition of “conditional sale agreement”.]

"cash" includes a cheque drawn on a banker;

"certificate of entitlement" means a permit issued by the Registrar of Vehicles under section 10A of the Road Traffic Act (Cap. 276);

“conditional sale agreement” means an agreement for the sale of goods under which the purchase price or part of it is payable by instalments, and the property in the goods is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods) until such conditions as to the payment of instalments or otherwise as may be specified in that agreement are fulfilled;

[UKSOGITA]

"court" means a Magistrate's Court or a District Court;

"dealer" means a person, not being the hirer or the owner or a servant of the owner, by whom or on whose behalf negotiations leading to the making of a regulated agreement with the

owner were carried out or by whom or on whose behalf the transaction leading to a regulated agreement with the owner was arranged;

"goods" includes any replacement or renewal by the hirer of any part or parts thereof and any accessory added or addition made thereto by the hirer during the period of the hiring;

"guarantor" means a person who has guaranteed the performance by a hirer of all or any of his obligations under a regulated agreement but does not include the dealer or a person engaged, at the time of the giving of the guarantee, in the trade or business of selling goods of the same nature or description as the goods comprised in the agreement;

"hire-purchase agreement" means an agreement, other than a conditional sale agreement, under which —

(a) goods are bailed in return for periodical payments to the hirer; and

(b) the property in the goods will pass to the hirer if the terms of the agreement are complied with and one or more of the following occurs:

(i) the exercise of an option to purchase exercised by the hirer;

(ii) the doing of any other specified act by any party to the agreement;

(iii) the happening of any other specified event;

[UKSOGITA, except references to "person to whom the goods are bailed" are replaced by "hirer".]

"purchase price" means the total sum payable by the hirer under a regulated agreement in order to complete the purchase of goods to which the agreement relates, exclusive of any sum payable as a penalty or as compensation or damages for a breach of the agreement;

[The term "conditional sale agreement" contains the term "purchase price". The term "hire-purchase price" in the HPA has been replaced by "purchase price" for consistency.]

"hirer" means the person who bails or purchases goods from an owner under a regulated agreement and includes a person to whom the hirer's rights or liabilities under the agreement have passed by assignment or by operation of law;

[UKSOGITA uses the term "the person to whom the goods are bailed".]

"motor vehicle" means a motor vehicle within the meaning of the Road Traffic Act;

"owner" means a person by whom goods are bailed to a hirer under a regulated agreement and includes a person to whom the owner's rights or liabilities under the agreement have passed by assignment or by operation of law;

[UKSOGITA uses the term "creditor" defined as "the person by whom the goods are bailed ... under a hire-purchase agreement or the person to whom his rights and duties under the agreement have been passed by assignment or operation of law."]

"regulated agreement" means a hire-purchase agreement or a conditional sale agreement;

"third-party insurance" means any insurance in relation to liability in respect of death or bodily injury caused by or arising out of the use of a motor vehicle being insurance required by law;

"vehicle registration fees" means any amount to be provided under a regulated agreement by the owner for payment by or on behalf of the hirer under the provisions of this Act in connection with the registration and use of a motor vehicle, including any amount payable for third-party insurance and for the issue of a certificate of entitlement.

(2) Where an owner has agreed that any part of the purchase price may be discharged otherwise than by the payment of money, any such discharge shall, for the purposes of this Act, be deemed to be a payment of that part of the purchase price.

(3) Where, by virtue of 2 or more agreements, none of which by itself constitutes a regulated agreement, there is a bailment of goods and either the bailee may buy the goods or the property in the goods will or may pass to the bailee, the agreements shall, for the purposes of this Act, be treated as a single regulated agreement made at the time when the last agreement was made.

(4) The court shall have jurisdiction to try any action or proceeding arising out of or in relation to a regulated agreement to which this Act applies, including an action for an injunction and an action to rescind a contract, notwithstanding that apart from this subsection the court would have no jurisdiction to do so.

PART II

FORM AND CONTENTS OF REGULATED AGREEMENTS

Requirements relating to regulated agreements

3. —(1) Before a regulated agreement is entered into in respect of any goods, the owner shall give or cause to be given to the prospective hirer a written statement which shall contain the items set out in the Second Schedule.

(2) Where a regulated agreement is entered into by way of acceptance by the owner of a written offer signed by or on behalf of the hirer, subsection (1) shall be deemed not to have been complied with unless the written statement was given to the prospective hirer before the written offer was signed.

(3) Every regulated agreement —

(a) shall be in writing and in the English language;

(b) shall be signed by or on behalf of the hirer and all other parties to the agreement;

(c) shall —

(i) specify a date on which the bailment shall be deemed to have commenced;

(ii) specify the number of instalments to be paid under the agreement by the hirer;

(iii) specify the amounts of each of these instalments and the person to whom and the place at which the payments of these instalments are to be made;

(iv) specify the time for the payment of each of those instalments; and

(v) contain a description of the goods sufficient to identify them;

(d) shall, where any part of the consideration is or is to be provided otherwise than in cash, contain a description of that part of the consideration; and

(e) shall set out in a tabular form —

(i) the price at which at the time of signing the agreement the hirer might have purchased the goods for cash (referred to in this Act and to be described in the agreement as cash price);

(ii) the amount paid or provided by way of deposit (referred to in this Act and to be described in the agreement as deposit), if any, showing separately the amount paid in cash and the amount provided by any consideration other than cash;

(iii) any amount (included in the total amount) payable to cover the expenses of delivering the goods or any of them or to the order of the hirer (referred to in this Act and to be described in the agreement as freight);

(iv) any amount (included in the total amount) payable to cover vehicle registration fees in respect of the goods (to be described in the agreement as vehicle registration fees);

(v) any amount (included in the total amount) payable for insurance in respect of the goods or any of them;

(vi) the total of the amounts referred to in sub-paragraphs (i), (iii), (iv) and (v) less the deposit, if any;

(vii) the amount of any other charges included in the total amount payable (referred to in this Act and to be described in the agreement as terms charges);

(viii) the total of the amounts referred to in sub-paragraphs (vi) and (vii) (referred to in this Act as the balance originally payable under the agreement);

(ix) the total amount payable; and

(x) any other item set out in the Second Schedule.

(4) Deleted by Act 38/2004, wef 01/11/2004.

Copy of documents to be served on hirer

4.—(1) The owner shall serve or cause to be served on the hirer within 7 business days after the making of a regulated agreement —

(a) a copy of the agreement; and

(b) a notice, which is at least as prominent as the rest of the contents of the agreement, in the terms prescribed in the Third Schedule.

(2) Where any part of the total amount payable consists of an amount paid or to be paid under a policy of insurance in respect of the goods, the owner shall serve or cause to be served on the hirer within 7 days of receipt of the policy, a copy of the policy or statement in writing setting out the terms, conditions and exclusions of the policy that affect the rights of the hirer.

Regulated agreements which are not enforceable

5.—(1) A regulated agreement that is not in writing shall not be enforceable by the owner.

(2) An owner shall not be entitled to enforce a regulated agreement or any contract of guarantee relating thereto or any right to recover the goods from the hirer, and no security given by the hirer in respect of money payable under the regulated agreement or given by a guarantor in respect of money payable under such a contract of guarantee as aforesaid shall be enforceable against the hirer or guarantor by any holder thereof, unless the requirements set out in sections 3 (3) (b) to (e) and 4 have been complied with.

(3) Notwithstanding subsection (2) where the court is satisfied that —

(a) a failure to comply with any of the requirements set out in sections 3 and 4 has not prejudiced the hirer; and

(b) it would be just and equitable to dispense with such of the requirements mentioned in paragraph (a),

the court may, subject to any conditions that it thinks fit to impose, dispense with those requirements for the purpose of the action.

PART III

IMPLIED TERMS

Implied terms as to title

6.—(1) In every hire-purchase agreement, other than one to which subsection (2) applies, there is—

(a) an implied term on the part of the owner that he will have a right to sell the goods at the time when the property is to pass; and

(b) an implied term that—

(i) the goods are free, and will remain free until the time when the property is to pass, from any charge or encumbrance not disclosed or known to the hirer, and

(ii) the hirer will enjoy quiet possession of the goods except so far as it may be disturbed by any person entitled to the benefit of any charge or encumbrance so disclosed or known.

(2) In a hire-purchase agreement, in the case of which there appears from the agreement or is to be inferred from the circumstances of the agreement an intention that the owner should transfer only such title as he or a third person may have, there is—

(a) an implied term that all charges or encumbrances known to the owner and not known to the hirer have been disclosed to the hirer before the agreement is made; and

(b) an implied term that neither—

(i) the owner; nor

(ii) in a case where the parties to the agreement intend that any title which may be transferred shall be only such title as a third person may have, that person; nor

(iii) anyone claiming through or under the owner or that third person otherwise than under a charge or encumbrance disclosed or known to the hirer, before the agreement is made,

will disturb the quiet possession of the hirer .

(3) The term implied by subsection (1)(a) is a condition and the terms implied by subsections (1)(b), (2)(a) and (2)(b) are warranties.

[UKSOGITA, s.8]

Bailing or hiring by description

7.-(1) Where under a hire-purchase agreement goods are bailed by description, there is an implied term that the goods will correspond with the description, and if under the agreement the goods are bailed by reference to a sample as well as a description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

(2) The term implied by subsection (1) is a condition.

(3) Goods shall not be prevented from being bailed by description by reason only that, being exposed for sale or bailment, they are selected by the hirer.

[UKSOGITA, s.9]

Implied undertakings as to quality or fitness

7A.-(1) Except as provided by this section and section 7B and subject to the provisions of any other written law, there is no implied term as to the quality or fitness for any particular purpose of goods bailed under a hire-purchase agreement.

(2) Where the owner bails goods under a hire-purchase agreement in the course of a business, there is an implied term that the goods supplied under the agreement are of satisfactory quality.

(3) For the purposes of this Part, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.

(4) For the purposes of this Part, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods—

(a) fitness for all the purposes for which goods of the kind in question are commonly supplied;

(b) appearance and finish;

(c) freedom from minor defects;

(d) safety; and

(e) durability.

(5)The term implied by subsection (2) does not extend to any matter making the quality of goods unsatisfactory—

(a)which is specifically drawn to the attention of the hirer before the agreement is made;

(b)where the hirer examines the goods before the agreement is made, which that examination ought to reveal; or

(c)where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.

(6)Where the owner bails goods under a hire-purchase agreement in the course of a business and the hirer, expressly or by implication, makes known—

(a) to the owner in the course of negotiations conducted by the owner in relation to the making of the hire-purchase agreement; or

(b)to a dealer in the course of negotiations conducted by that dealer in relation to goods sold by him to the owner before forming the subject matter of the hire-purchase agreement,

any particular purpose for which the goods are being bailed, there is an implied term that the goods supplied under the agreement are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied, except where the circumstances show that the hirer does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the owner or dealer.

(7)An implied condition or warranty as to quality or fitness for a particular purpose may be annexed to a hire-purchase agreement by usage.

(8)The preceding provisions of this section apply to a hire-purchase agreement made by a person who in the course of a business is acting as agent for the owner as they apply to an agreement made by the owner in the course of a business, except where the owner is not bailing in the course of a business and either the hirer knows that fact or reasonable steps are taken to bring it to the notice of the hirer before the agreement is made.

(9)The terms implied by subsections (2) and (6) are conditions.

[UKSOGITA, s.10]

Samples

7B.-(1)Where under a hire-purchase agreement goods are bailed by reference to a sample, there is an implied term—

(a)that the bulk will correspond with the sample in quality;

(b)that the hirer will have a reasonable opportunity of comparing the bulk with the sample; and

(c)that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.

(2)The term implied by subsection (1) is a condition.

[UKSOGITA, s.11]

Modification of remedies for breach of statutory condition in non-consumer cases

7C.-(1)Where in the case of a hire purchase agreement—

- (a) the hirer would, apart from this subsection, have the right to reject them by reason of a breach on the part of the owner of a term implied by section 7, 7A or 7B(1)(a) or (c); but
- (b) the breach is so slight that it would be unreasonable for him to reject them,

then, if the hirer does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.

(2) This section applies unless a contrary intention appears in, or is to be implied from, the agreement.

(3) It is for the owner to show—

- (a) that a breach fell within subsection (1)(b); and
- (b) that the hirer did not deal as consumer.

[UKSOGITA, s.11A]

Exclusion of implied terms

7D. An express term does not negative a term implied by this Part unless inconsistent with it.

[UKSOGITA, s.12]

Special provisions as to conditional sale agreements

7E.- (1) Section 11(3) of the Sale of Goods Act (Cap. 393) (whereby in certain circumstances a breach of a condition in a contract of sale is treated only as a breach of warranty) shall not apply to a conditional sale agreement where the buyer deals as consumer.

(2) A breach of a condition (whether express or implied) to be fulfilled by the seller under any such agreement shall be treated as a breach of warranty, and not as grounds for rejecting the goods and treating the agreement as repudiated, if (but only if) it would have fallen to be so treated had the condition been contained or implied in a corresponding hire-purchase agreement as a condition to be fulfilled by the owner.

(3) In subsection (2), “corresponding hire-purchase agreement” means a hire-purchase agreement relating to the same goods as the conditional sale agreement and made between the same parties and at the same time and in the same circumstances and, as nearly as may be, in the same terms as the conditional sale agreement.

[UKSOGITA, s.14]

Interpretation of this Part

7F.- (1) In this Part—

- (a) “business” has the same meaning as in the Sale of Goods Act (Cap. 393);

[UKSOGITA, s.15; SGA s.61: "business" includes a profession and the activities of any Government department or local or public authority; or local or public authority.]

- (b) references in this Part to dealing as consumer are to be construed in accordance with Part I of the Unfair Contract Terms Act (Cap. 396).

[UKSOGITA, s.11A(4)]

PART IV

HIRERS

Statutory rights of hirers

Duty of owners to supply documents and information

8. —(1) An owner shall, within 7 business days of the receipt thereof, comply with a written request made to him by a hirer, at any time before final payment has been made, whereby the hirer requires either a copy of the regulated agreement between the parties or a statement signed by the owner or his agent showing —

- (a) the amount paid to the owner by or on behalf of the hirer;
 - (b) the amount which has become due under the agreement but remains unpaid; and
 - (c) the amount which is to become payable under the agreement,
- or both such copy of the agreement and the statement.

(2) Notwithstanding subsection (1), an owner need not comply with such a request —

- (a) if he has sent the hirer the document requested within a period of 3 months immediately preceding the request; or
- (b) unless the request is accompanied by a reasonable fee, which shall not exceed such amount as may be prescribed, if the hirer makes a second or subsequent request for a copy of the regulated agreement between the parties after the owner has previously complied with such a request.

(3) In the event of a failure without reasonable cause to comply with subsection (1) then, while the default continues —

(a) the owner shall not be entitled to enforce —

- (i) the agreement against the hirer;
- (ii) any right to recover the goods from the hirer; or
- (iii) any contract of guarantee relating to the agreement; or

(b) any security given by the hirer in respect of money payable under the agreement or given by a guarantor in respect of money payable under a contract of guarantee relating to the agreement shall not be enforceable against the hirer or the guarantor by any holder thereof.

(4) *Deleted by Act 38/2004, wef 01/11/2004.*

Appropriation of payments made in regulated agreements

9. —(1) A hirer who is liable to make payments in respect of 2 or more regulated agreements to the same owner shall, notwithstanding any agreement to the contrary, be entitled, on making any payment in respect of the agreements which is not sufficient to discharge the total amount then due under all the agreements, to require the owner to appropriate the sum so paid by him in or towards the satisfaction of the sum due under any one of the agreements, or in or towards the satisfaction of the sums due under any 2 or more of the agreements in such proportions as he thinks fit.

(2) If the hirer fails to make any such appropriation as mentioned in subsection (1), the payment shall by virtue of this section be appropriated towards the satisfaction of the sums due under the respective regulated agreements in the order in which the agreements were entered into.

Power of court to allow goods to be removed

10. —(1) Where, by virtue of a regulated agreement, it is the duty of a hirer to keep the goods comprised in the agreement in his possession or control at a particular place or not to remove the goods from a particular place and the owner fails or refuses to give his consent to the request of the hirer for approval to remove the goods from the place, the court may, on the application of the hirer, make an order approving the removal of the goods to some other

place which place shall, for the purposes of the agreement, be substituted for the place mentioned in the agreement.

(2) No order shall be made under subsection (1) if the owner satisfies the court that he had good reason for failing or refusing to give his consent.

Assignments of right, title and interest of hirer under regulated agreement

11. —(1) The right, title and interest of a hirer under a regulated agreement may be assigned with the consent of the owner, or if his consent is unreasonably withheld, without his consent.

(2) Except as otherwise provided in this section, no payment or other consideration shall be required by an owner for his consent to such an assignment as is mentioned in subsection (1) and where an owner requires any such payment or other consideration for his consent, that consent shall be deemed to be unreasonably withheld.

(3) Where, at the request of a hirer under a regulated agreement, the owner fails or refuses to give his consent to an assignment by the hirer of his right, title and interest under the agreement, the hirer may apply to a court for an order declaring that the consent of the owner to that assignment has unreasonably been withheld.

(4) Where an order is made under subsection (3) the consent shall be deemed to be unreasonably withheld.

(5) As a condition of granting consent to an assignment of the right, title and interest of the hirer under a regulated agreement, the owner may stipulate that all defaults under the agreement shall be made good and may require the hirer and assignee —

(a) to execute and deliver to the owner an assignment in a form approved by the owner whereby, without prejudicing or affecting the continuing personal liability of the hirer in those respects, the assignee agrees with the owner to be personally liable to pay the instalments remaining unpaid and to perform and observe all other stipulations and conditions of the regulated agreement during the residue of the term thereof and whereby the assignee indemnifies the hirer in respect of those liabilities; and

(b) to pay to the owner any reasonable costs incurred by the owner (including legal expenses) in preparing, drawing, stamping or registering the assignment, agreement or counterparts.

Assignments of right, title and interest of owner under regulated agreement

11A. —(1) The hirer under a regulated agreement may, by notice in writing to the owner, require the owner to assign his right, title and interest under the agreement to another person.

(2) As a condition of the assignment of the right, title and interest of the owner under a regulated agreement, the owner may —

(a) stipulate that all defaults under the agreement shall be made good; and

(b) require the hirer and assignee —

(i) to deliver to the owner a form of assignment whereby the assignee agrees to pay to the owner the net balance due under the agreement; and

(ii) to pay to the owner any reasonable costs incurred by the owner (including legal expenses) in relation to the assignment.

(3) Except as otherwise provided in this section, no payment or other consideration shall be required by an owner for an assignment referred to in subsection (1).

(4) Where an owner fails or refuses to assign his right, title and interest under the regulated agreement as required by the hirer in accordance with this section, the hirer may apply to a court for an order requiring the owner to do so.

Passing of right, title and interest by operation of law

12. —(1) The right, title and interest of a hirer under a regulated agreement shall be capable

of passing by operation of law to the personal representative of the hirer and if the hirer is a company the liquidator may exercise the same right under the agreement as the company.

(2) Nothing in this section shall relieve any personal representative or liquidator from compliance with the provisions of the regulated agreement.

Early completion of agreement

13. —(1) The hirer under a regulated agreement may, if he has given notice in writing to the owner of his intention to do so, on or before the day specified for that purpose in the notice, complete the purchase of the goods by paying or tendering to the owner the net balance due under the agreement.

(2) *Deleted by Act 38/2004, wef 01/11/2004.*

(3) The rights conferred on the hirer by this section may be exercised by him —

(a) at any time during the continuance of the agreement; or

(b) where the owner has taken possession of the goods, upon payment to the owner (within 7 business days after the owner has served a notice in the form set out in the Fifth Schedule) in addition to the net balance due together with the reasonable costs including costs (if any) of storage, repair or maintenance of the goods incurred by the owner incidental to his taking possession of the goods.

Power of hirer to terminate hiring

14. —(1) The hirer of any goods comprised in a regulated agreement may terminate the hiring by returning the goods to the owner during ordinary business hours at the place at which the owner ordinarily carries on business or to the place specified for that purpose in the agreement.

(2) Where the nature of the goods comprised in a regulated agreement or the facilities available at the place or places of business of the owner or the place specified in the agreement is or are such that it would be impracticable to return the goods to such a place, the hirer may terminate the hiring by returning the goods to any place agreed to by the parties to the agreement.

(3) Where the parties fail to agree, the hirer who proposes to return the goods to the owner under this section may, subject to subsection (5), apply to a court for an order fixing the place to which the goods may be returned.

(4) The court —

(a) shall fix the place that is in its opinion reasonable having regard to all the circumstances surrounding the transaction; and

(b) may order that, subject to the goods being returned to the owner, the hiring shall be terminated on such date as is specified in the order.

(5) Notice of an application under subsection (3) shall be given to the owner by the hirer.

(6) When a regulated agreement is terminated under this section, the owner is entitled to recover from the hirer —

(a) the amount (if any) required to be paid in those circumstances under the agreement; or

(b) the amount (if any) that the owner would have been entitled to recover if he had taken possession of the goods at the date of termination of the hiring, whichever is the less.

Repossession

Notices to be given to hirer when goods repossessed

15. —(1) Subject to this section, an owner shall not exercise any power of taking possession of goods comprised in a regulated agreement arising out of any breach of the agreement

relating to the payment of instalments until he has served on the hirer a notice, in writing, in the form set out in the Fourth Schedule and the period fixed by the notice has expired, which shall not be less than 7 business days after the service of the notice.

(2) An owner need not comply with subsection (1) if there are reasonable grounds for believing that the goods comprised in the regulated agreement will be removed or concealed by the hirer contrary to the provisions of the agreement, but the onus of proving the existence of those grounds shall lie upon the owner.

(3) Within 7 business days after the owner has taken possession of goods that were comprised in a regulated agreement, he shall serve on the hirer and every guarantor of the hirer a notice, in writing, in the form set out in the Fifth Schedule.

(4) Where the owner takes possession of goods that were comprised in a regulated agreement, he shall —

(a) deliver or cause to be delivered to the hirer personally a document acknowledging receipt of the goods; or

(b) if the hirer is not present at that time send to the hirer immediately after taking possession of the goods a document acknowledging receipt of the goods.

(5) The document acknowledging receipt of the goods required under subsection (4) shall set out a short description of the goods and the date on which, the time at which and the place where the owner took possession of the goods.

(6) If the notice required by subsection (3) is not served, the rights of the owner under the regulated agreement shall thereupon cease and determine.

(7) If the hirer exercises his rights under this Act to recover the goods so taken possession of, the agreement shall have the same force and effect in relation to the rights and liabilities of the owner and the hirer as it would have had if the notice under subsection (3) had been duly given.

Owner to retain possession of goods repossessed for 7 business days

16. Where an owner has taken possession of any goods, he shall not, without the written consent of the hirer, sell or dispose of the goods or part with possession thereof —

(a) until after the expiration of 7 business days after the date of the service on the hirer of the notice referred to in section 15 (3); or

(b) if notice under section 17 (1) (a) has been given, until the time for payment or tender pursuant to that notice has expired, whichever is the later.

Hirer's rights and immunities when goods repossessed

17. —(1) Where the owner takes possession of any goods comprised in a regulated agreement —

(a) the hirer may, within 7 business days after the service on him of the notice referred to in section 15 (3), by giving to the owner a notice in writing signed by the hirer or his agent —

(i) require the owner to redeliver to or to the order of the hirer (subject to compliance by the hirer with section 18) the goods that have been repossessed; or

(ii) require the owner to sell the goods to any person introduced by the hirer who is prepared to buy the goods for cash at a price not less than the estimated value of the goods set out in the first-mentioned notice; or

(b) the hirer may recover from the owner —

(i) if the value of the goods at the time of the owner so taking possession thereof is less than the net amount payable under the agreement but the total of that value and the amount paid or provided, whether by cash or other consideration, by or on behalf of the hirer under the

agreement exceeds the net amount payable — the difference between that total and the net amount payable; or

(ii) if the value of the goods at the time of the owner so taking possession thereof is equal to or greater than the net amount payable under the agreement — the total of that value and the amount paid or provided, whether by cash or other consideration, by or on behalf of the hirer under the agreement, less the net amount payable.

(2) Where the owner takes possession of any goods comprised in a regulated agreement, the owner is not entitled to recover any sum (whether under a judgment or order or otherwise) which if added together with —

(a) the value of the goods at the time of the owner so taking possession thereof; and
(b) the amount paid or provided, whether by cash or other consideration, by or on behalf of the hirer under the agreement,

exceeds the net amount payable under the agreement in respect of the goods.

(3) For the purposes of this section —

(a) *Deleted by Act 38/2004, wef 01/11/2004.*

(b) the value of any goods at the time of the owner taking possession thereof is —

(i) the best price that could be reasonably obtained by the owner at that time; or

(ii) if the hirer has introduced a person who has bought the goods for cash, the amount paid by that person,

less —

(A) the reasonable costs incurred by the owner of and incidental to his taking possession of the goods;

(B) any amount properly expended by the owner on the storage, repair or maintenance of the goods; and

(C) (whether or not the goods have subsequently been sold or disposed of by the owner) the reasonable expenses of selling or otherwise disposing of the goods.

(4) Where the owner has sold goods of which he has taken possession, the onus of proving that the price obtained by him for the goods was the best price that could be reasonably obtained by him at the time when he took possession of the goods shall lie upon the owner.

(5) No amount is recoverable by the hirer under this section except where the owner has failed to serve on the hirer a notice as required by section 15 (3) unless —

(a) the hirer, within 7 business days after the owner has served a notice as required by section 15 (3), gives to the owner notice in writing —

(i) setting out the amount claimed under this section and the amount that is claimed by the hirer to be the value of the goods at the time of the owner taking possession thereof; and

(ii) signed by the hirer or his advocate and solicitor or agent; and

(b) proceedings for the recovery of the amount so claimed under this section are commenced not later than 3 months after the giving by the hirer to the owner of the notice referred to in paragraph (a).

(6) If, before the proceedings referred to in subsection (5) are commenced by the hirer, the owner serves an offer in writing on the hirer to pay any amount in satisfaction of the claim by the hirer under this section, the owner, in the proceedings, is entitled to pay into court the amount so offered and, upon so doing, is entitled to the same rights as he would have had if that amount had been tendered to the hirer before the proceedings were commenced.

(7) No such right as is referred to in subsection (6) shall be available to the owner in any proceedings by the hirer to recover the amount so offered or any lesser amount if the hirer, before commencing the proceedings, notifies the owner in writing of the acceptance by the hirer of the amount so offered.

Power of hirer to regain possession of goods in certain circumstances

18. —(1) If, within 7 business days after giving notice to the owner under section 17 (1) (a), the hirer —

(a) pays or tenders to the owner any amount due by the hirer under the regulated agreement in respect of the period of hiring up to the date of the payment or tender (and for the purposes of this paragraph the hiring shall be deemed to have continued up to that date);

(b) remedies any breach of the agreement or (where he is unable to remedy the breach by reason of the fact that the owner has taken possession of the goods) pays or tenders to the owner the costs and expenses reasonably and actually incurred by the owner in doing any act, matter or thing necessary to remedy the breach; and

(c) pays or tenders to the owner the reasonable costs and expenses of the owner of and incidental to his taking possession of the goods and of his returning them to the hirer, the owner shall forthwith return the goods to the hirer.

(2) The goods shall be received and held by the hirer pursuant to the terms of the regulated agreement as if the breach had not occurred and the owner had not taken possession thereof.

(3) Where goods are returned to the hirer under subsection (1) and any breach of the regulated agreement has not been remedied, the owner has no right arising out of the breach to take possession of the goods unless —

(a) by notice in writing given to the hirer at the time of the return of the goods he specifies the breach and requires it to be remedied; and

(b) the hirer fails within 7 business days or within the time specified in the notice (whichever is the longer) after receiving the notice to remedy the breach.

Power of court to vary existing judgments or orders when goods are repossessed

19. In any proceedings arising out of a regulated agreement, after the owner has taken possession of the goods, the court before which the proceedings are brought may vary or discharge any judgment or order of the court against the hirer for the recovery of money so far as is necessary to give effect to section 17.

PART V

GUARANTORS

Liability of a guarantor and his rights on repossession

20. —(1) Subject to this Act, a guarantor shall not, by reason of the operation of this Act, be discharged from liability under his guarantee.

(2) The liability of a guarantor shall continue notwithstanding that the owner has, pursuant to the provisions of a regulated agreement, taken possession of the goods comprised therein (and whether or not the goods have been redelivered to the hirer pursuant to this Act).

(3) Nothing in subsection (2) shall operate to preserve the liability of a guarantor where the owner and the hirer have entered into a new agreement in respect of the goods comprised in any regulated agreement.

(4) No guarantor shall be liable to any further or other extent than the hirer, the performance of whose obligations he has guaranteed.

(5) Nothing in this Act shall affect any agreement by the guarantor binding him to the performance of any obligation that is not one of the obligations imposed on the hirer under the regulated agreement in respect of which the guarantee is given.

(6) Where goods have been delivered to the hirer pursuant to a regulated agreement and the owner subsequently takes possession thereof, any guarantor who has paid any moneys to the

owner in accordance with his guarantee shall have the like right in like manner to recover those moneys as he would have had if he had been the hirer of the goods.

(7) For the purpose of calculating the amount received by the owner all moneys paid and the value of any other consideration provided by or on behalf of the hirer shall be deemed to have been paid or provided by the guarantor.

(8) No moneys shall be recovered by the guarantor in excess of the moneys actually paid by him.

Guarantor not to be bound in certain cases

21. —(1) Where a guarantor of the performance of the obligations of the hirer under a regulated agreement enters into an agreement binding the guarantor —

(a) to pay to the owner an aggregate sum which is larger than the balance originally payable under the agreement; or

(b) to perform an obligation in respect of goods other than the goods comprised in the regulated agreement,

the agreement so entered shall be void unless the agreement is executed by the guarantor in the presence of a solicitor instructed and employed independently of the owner and the solicitor certifies in writing upon the agreement —

(i) that he is satisfied that the guarantor understands the true purport and effect of the agreement; and

(ii) that the guarantor has executed the agreement in his presence.

(2) A solicitor shall not give a certificate in respect of an agreement under subsection (1) unless —

(a) he has read over and explained the agreement to the guarantor or has caused the agreement to be read over and explained to the guarantor in his presence;

(b) he has examined the guarantor touching his knowledge of the agreement;

(c) he is satisfied that the guarantor understands the true purport and effect of the agreement; and

(d) the guarantor has freely and voluntarily executed the agreement in his presence.

(3) Failure by a solicitor to comply with subsection (2) in respect of a certificate shall not invalidate the certificate.

Rights of guarantor against owner

22. —(1) The guarantor under this Part may at any time secure his discharge by paying the amount due to the owner from the hirer.

(2) Upon such payment being made, the guarantor is entitled to —

(a) sue the hirer in the name of the owner for any breach of the hirer's obligations under the regulated agreement subject to providing the owner with a suitable indemnity for costs or sue in his own name if he takes a legal assignment of the hire-purchase debt; and

(b) insist upon the transfer to himself of all securities taken by the owner from the hirer to secure performance of the hirer's obligations.

(3) The guarantor is entitled in the event of any claim being made against him by the owner on the guarantee to avail himself of any set-off or counterclaim which the hirer may possess against the owner.

(4) Unless otherwise agreed by the parties, a guarantor who exercises his rights under this section shall pay to the owner any reasonable costs incurred by the owner (including legal expenses) in preparing, drawing, stamping or registering the indemnity, assignment or transfer, as the case may be.

Rights of guarantor against hirer

23. —(1) The guarantor is entitled to be indemnified by the hirer against any claim made by the owner on the guarantee.

(2) The guarantor is entitled to compel the hirer to pay the instalments in respect of the regulated agreement as and when they fall due; and for this purpose he may apply to the court for an order to that effect.

Guarantor not to seize

24. Nothing in this Part shall entitle the guarantor to exercise a licence to seize conferred on the owner by the regulated agreement except where the agreement expressly provides that the licence shall be assignable.

PART VI

INSURANCE

Owner may require insurance cover for goods

25. An owner may, subject to section 26, require any goods comprised in a regulated agreement to be insured in the names of the owner and the hirer against any risk that he thinks fit for the period of the agreement at the expense of the hirer.

Restrictions on owner's rights to require insurance

26. —(1) An owner shall not require a hirer to insure any such risk with any particular registered insurer.

(2) An owner shall not refuse to enter into a regulated agreement with a person who effects insurance of the goods for the period of the agreement against such risks and subject to such reasonable terms, conditions and exceptions as are required by the owner in the names of the owner and the hirer with a registered insurer if the owner has no other grounds upon which the owner could reasonably refuse to enter into the agreement.

(3) An owner shall not require a hirer to obtain insurance against risks or subject to terms, conditions and exceptions that the owner would not require if he arranged the insurance.

(4) Where any goods comprised in a regulated agreement are insured in the joint names of the owner and the hirer against any risk with a particular registered insurer, there shall be an implied condition in the agreement that the hirer shall not, during the period of the agreement, insure those goods against any risk with another registered insurer without first informing the owner thereof.

Benefit of rebate to pass to hirer

27. —(1) Where, in respect of the insurance of goods comprised in a regulated agreement, the insurer allows any rebate including a no-claim rebate or rebate of a similar nature (as distinct from legitimate agency commission payable to an owner who is also a bona fide agent of an insurer and who arranges the insurance on behalf of the hirer) the hirer under the agreement is entitled to the benefit of the rebate.

(2) Any person who knowingly pays or allows any rebate referred to in subsection (1) to an owner shall be guilty of an offence.

Contents of contracts of insurance

28. Every copy of a policy of insurance (not being a policy of third-party insurance) and every statement, served upon a hirer under section 4, shall —

(a) identify the goods or the part of the goods to be insured;

- (b) contain a statement of the amount and period for which the goods are insured or are to be insured; and
- (c) if the amount for which the goods are or are to be insured will vary during the period of the agreement, contain a statement showing the varying amounts.

PART VII

GENERAL

Limitation on terms charges

- 29.** —(1) The terms charges in relation to a regulated agreement shall not exceed such amount as may be prescribed in respect of any goods or class of goods.
- (2) Where a regulated agreement is entered into in contravention of this section, the hirer may, by notice in writing to the owner signed by the hirer or the hirer's agent, elect either to treat the agreement as void or to have his liability reduced by the amount included in the agreement for terms charges.
- (3) Where the hirer elects to treat the regulated agreement as void, the agreement shall be void, and the amount paid or provided, whether by cash or other consideration, by or on behalf of the hirer under the agreement shall be recoverable by action as a debt due to him by the owner.
- (4) Where the hirer elects to have his liability reduced by the amount included in the agreement for terms charges, his liability shall be reduced by that amount and that amount may be set-off by the hirer against the amount that would otherwise be due under the agreement and, to the extent to which it is not so set-off, may be recovered by action by the hirer as a debt due to him by the owner.

30. *Repealed by Act 38/2004, wef 01/11/2004.*

31. *Repealed by Act 38/2004, wef 01/11/2004.*

Power of court to reopen certain hire-purchase transactions

32. —(1) In any proceedings under this Act or arising out of a regulated agreement, or instituted under subsection (4), where it appears to the court that the transaction is harsh and unconscionable or is otherwise such that it will be just to give relief the court may reopen the transaction.

[NB: Section 32 would apply to “actions arising out of a regulated agreement” taken under the new consumer remedy regime proposed in Part III of the CPFTA, subject to the limitations in new section 1(2) of the HPA.]

- (2) The court reopening any transaction under this section may, notwithstanding any statement or settlement of accounts or any agreement purporting to close previous dealings and create a new obligation —
- (a) reopen any account already taken between the parties;
- (b) relieve the hirer and any guarantor from payment of any sum in excess of such sum in respect of the cash price, terms charges, and other charges as the court adjudges to be fairly and reasonably payable;
- (c) set aside either wholly or in part or revise or alter any agreement made or security given in connection with the transaction;
- (d) give judgment for any party for such amount as having regard to the relief (if any) that the court thinks fit to grant, is justly due to that party under the agreement; and
- (e) if it thinks fit give judgment against any party for delivery of the goods if they are in his possession.

- (3) Where it appears to the court that any person other than the owner has shared in the profits of or has any beneficial interest prospectively or otherwise in the transaction that the court holds to be harsh and unconscionable, the court may —
- (a) add that person as a party to the case;
 - (b) give judgment against that person for such amount as it thinks fit or for the delivery of the goods if they are in his possession; and
 - (c) may make such other order in respect of that person as it thinks fit.
- (4) Subject to subsection (5), proceedings may be instituted in the court by the hirer or any guarantor under a regulated agreement for the purpose of obtaining relief under this section.
- (5) A hirer or guarantor under a regulated agreement shall not be entitled to institute proceedings under this section —
- (a) in a case where the owner has taken possession of the goods comprised in the agreement after the expiration of a period of 4 months after the date on which the owner serves on the hirer the notice required by section 15 (3) to be served on him; or
 - (b) in any other case, after the expiration of a period of 4 months from the time when the transaction is closed.
- (6) In any proceedings under this section, the court shall have and may exercise all or any of the powers conferred by subsections (1), (2) and (3) notwithstanding that the time for the payment of any of the amounts payable under the agreement may not have arrived.

Avoidance of certain provisions

33. Any provision in any regulated agreement whereby —

- (a) any right conferred on the hirer by this Act to determine a regulated agreement is excluded or restricted;
 - (b) the hirer is subject to any greater liability on the determination, in any manner, of the regulated agreement or of the bailment thereunder, than the liability to which he would be subject if the regulated agreement were determined in accordance with this Act;
 - (c) the hirer is required to pay interest on any overdue instalment at a rate per annum exceeding that as may be prescribed by the Minister by notification in the *Gazette*;
 - (d) the owner is relieved from liability for the acts or defaults of any person acting in connection with or in the course of the negotiations leading to the entering into the regulated agreement;
 - (e) the owner or any person acting on his behalf is authorised to enter upon any premises for the purpose of taking possession of goods comprised in a regulated agreement otherwise than in accordance with the provisions of this Act or is relieved from liability for any such entry;
 - (f) the operation of the regulated agreement is determined or modified or any person is authorised to repossess any goods comprised in a regulated agreement if the hirer becomes bankrupt or executes a deed of assignment or a deed of arrangement (whether all or any of those events are named); or
 - (g) except as expressly provided by this Act, the operation of any provision of this Act is excluded, modified or restricted,
- shall be void and of no effect.

[22/80;15/95]

Provisions relating to securities collateral to regulated agreements

34. Where —

- (a) a bill of exchange or promissory note has been given by a hirer or guarantor under a regulated agreement to the owner in respect of an amount payable under the agreement; and
- (b) the payment in due course of the bill of exchange or promissory note would, by virtue of the operation of any provision of this Act or otherwise, result in payment of an amount in excess of the liability of the hirer under the agreement,

the owner shall be liable to indemnify the hirer or guarantor, as the case may be, in respect of the amount of the excess.

False statement by dealers, etc., in proposals

35. Where —

- (a) a dealer or a person on behalf of a dealer, an agent or a person on behalf of an owner prepares or causes to be prepared a regulated agreement or offer in writing that, if accepted, will constitute a regulated agreement with the intention of bringing about a contractual relationship between an owner and a hirer; and
 - (b) the agreement or offer contains to the knowledge of the dealer or a person on behalf of the dealer, agent or person acting on behalf of the owner, as the case may be, a false statement or representation that is false in any material particular,
- the dealer or a person on behalf of the dealer, agent or person acting on behalf of the owner shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both.

[12/75]

Hirer may be required to state where goods are

36. —(1) The owner of any goods comprised in a regulated agreement may —

- (a) at any time by notice in writing served on the hirer thereof, require him to state in writing where the goods are; or
- (b) if the goods are not in the possession of the hirer, to whom he delivered the goods or the circumstances under which he lost possession of them.

(2) Any hirer who —

- (a) does not, within 7 business days after the receipt of such a notice, give to the owner such a statement; or
- (b) gives a statement containing any information that is to the knowledge of the hirer false, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both.

[12/75]

Fraudulent sale or disposal of goods by hirer

37. Every person who —

- (a) by the disposal or sale of any goods comprised in a regulated agreement;
- (b) by the removal of the goods; or
- (c) by any other means,

defrauds or attempts to defraud the owner shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 3 years or to both.

[12/75]

Certain alterations of regulated agreements to be of no effect

38. Where a regulated agreement is signed by or on behalf of the hirer, any alteration of, or matter added to, the written document that contains the terms and conditions of the agreement after the document was signed —

- (a) if the alteration is an alteration of any of the matters required to be specified, contained, or set out in the agreement by section 3 (3) (c) to (e); or
 - (b) if the additional matter is a matter required to be so specified, contained, or set out or affects any matter required to be so specified, contained, or set out,
- has no force or effect unless the hirer or his agent has consented to the alteration or the additional matter by signing or initialling the agreement in the margin thereof opposite the alteration or additional matter.

Secondhand goods

39. —(1) Where goods comprised in a regulated agreement are, at the time when the agreement is entered into, secondhand goods then unless —

(a) the goods are described in the agreement as secondhand goods; or

(b) in any proceedings taken by the owner to enforce the agreement, the court is satisfied that —

(i) the hirer was aware at the time when he or his agent signed the agreement that the goods comprised or to be comprised therein were secondhand goods; or

(ii) the owner was not aware at the time when the agreement was entered into the goods comprised therein were secondhand goods,

the liability of the hirer thereunder shall be reduced by the amount included in the agreement for terms charges.

(2) The amount may be set-off by the hirer against the amount that would otherwise be due or become due to the owner under the agreement and, to the extent to which it is not so set-off may be recovered by the hirer from the owner as a civil debt.

Worker's lien

40. —(1) Subject to subsection (2) where a worker does work upon goods comprised in a regulated agreement in such circumstances that, if the goods were the property of the hirer, the worker would be entitled to a lien on the goods for the value of his work, he shall be entitled to a lien notwithstanding that the goods are not the property of the hirer.

(2) The lien is not enforceable against the owner if the regulated agreement contains a provision prohibiting the creating of a lien by the hirer and the worker had notice of that provision before doing the work upon the goods.

Fixtures

41. —(1) Where the goods comprised in a regulated agreement were not fixtures to land at the time when the agreement was entered into, the goods shall not, so long as the owner retains any rights in those goods under the agreement, be treated as fixtures to land.

(2) Notwithstanding anything in subsection (1), the owner shall not be entitled to repossess goods which have been affixed to a dwelling-house or residence, if after the goods have become so affixed any person other than the hirer has bona fide acquired through valuable consideration an interest in the land without notice of the rights of the owner of the goods.

(3) Where any damage is caused to land or any building thereon by the removal and repossession of any goods affixed thereto by the owner of the goods, he shall compensate the owner of the land or the building, as the case may be, in respect of the damage.

Operation of certain laws

42. The Bills of Sale Act (Cap. 24) and any subsequent or other written law for the time being in force relating to bills of sale shall not apply to any provision in a regulated agreement whereby the rights of the owner thereunder are extended to any replacement or renewal by the hirer of any part or parts thereof or any accessory added or addition made by the hirer to any goods comprised in any such agreement.

Power of court to extend times

43. Any time prescribed by this Act for the service or giving of any notice or other document or for the commencement of proceedings may, on an application made to a court (either before or after the expiration of that time but after notice to the other party to the regulated agreement), be extended by that court for such further period, and upon such conditions, as the court thinks fit.

Power of court to order delivery of goods unlawfully detained

44. —(1) Where —

(a) an application is made to the court by an owner who is entitled to take possession of any goods comprised in a regulated agreement; and

(b) the application is supported by evidence on affidavit that the hirer or any person in possession of the goods has refused or failed to deliver up possession of the goods on the service of a notice of demand made by the owner or by an agent of the owner authorised in that behalf,

the court may summon that hirer or person to appear before the court.

(2) If it appears to the court that the goods are being detained without just cause, the court may order the goods to be delivered up to the owner at or before a time and at a place, to be specified in the order.

(3) Any person who neglects or refuses to comply with any order made under this section shall be guilty of an offence.

Service of notices or documents

45. Any notice or document required or authorised to be served on or given or sent to an owner or hirer or any person under this Act shall be deemed to be duly served or given or sent if it has been —

(a) delivered to him personally;

(b) left at his place of residence or business with some other person apparently an inmate thereof or employed thereat and apparently of or over the age of 16 years; or

(c) posted by registered post addressed to him at his last known place of residence or business.

Proof of service

46. The affidavit or oral evidence of an owner or his servant or agent as to the delivery, leaving or posting of any notice or document required or authorised to be served, given or sent by this Act shall be admissible as prima facie proof of service, giving or sending of the notice or document.

Size, type, etc., required in certain documents

47. —(1) Any prescribed document or part thereof —

(a) not being the signature or initials of any person, that is in handwriting that is not clear and legible; or

(b) that is printed in type of a size smaller than the type known as ten-point Times, shall, for the purposes of this Act, be deemed not to be in writing.

(2) In this section, “prescribed document” means —

(a) any regulated agreement;

(b) any written statement under section 3 (1);

(c) any copy of an agreement, notice or statement required by section 4 to be served on a hirer;

(d) any statement required by section 8 (1) to be sent to a hirer; and

(e) any notice under section 15 (1) or (3).

(3) Where, by virtue of this section, a prescribed document or part thereof is, for the purposes of this Act, deemed not to be in writing, then, except as is otherwise in this Act expressly provided, the validity or effect of the prescribed document shall not be affected.

(4) Nothing in this section shall affect the liability of any person to be convicted of an offence under this Act.

Penalty

48. Any person who is guilty of an offence under this Act or any regulations made thereunder for which no other penalty is expressly provided by this Act or any regulations made thereunder shall be liable on conviction to a fine not exceeding \$3,000 or to imprisonment for a term not exceeding 12 months or to both.

[12/75]

Regulations

49. —(1) The Minister may make regulations for or in respect of every purpose which he considers necessary for carrying out the provisions of this Act and for the prescribing of any matter which is authorised or required under this Act to be so prescribed.

(2) In addition to the powers conferred by subsection (1), the Minister may make regulations providing —

(a) for the minimum amounts of deposits and maximum maturity periods for different types or classes of loans or advances granted by owners;

(b) for the submission by owners who enter into regulated agreements of such annual and periodic accounts and returns as may be prescribed and in such form as may be prescribed; and

(c) for the collection, at such intervals or on such occasion and in such form as may be prescribed, of statistical information on such matters relating to hire-purchase as may be prescribed.

Transitional provisions

49. —(1) Notwithstanding [the amendment Act], the provisions of this Act in force immediately before the [date of commencement of the amendment Act] shall continue to apply to any hire-purchase agreement made before that date.

(2) In this section, “hire-purchase agreement” means “hire-purchase agreement” as defined in this Act immediately before the [date of commencement of the amendment Act].

FIRST SCHEDULE

Section 1 (2)

LIST OF GOODS

1. Any consumer goods the value of which does not exceed \$20,000 (inclusive of any Goods and Services Tax).

2. —(1) On or after 1st April 1989 but before 15th July 1994, any motor vehicle the value of which does not exceed \$55,000, which amount shall include —

(a) any Goods and Services Tax, where applicable;

(b) any import and excise duty payable in respect of the vehicle; and

(c) the cost of a certificate of entitlement for the vehicle.

(2) On or after 15th July 1994, any motor vehicle the value of which does not exceed \$55,000, which amount shall include —

(a) any Goods and Services Tax; and

(b) any import and excise duty payable in respect of the vehicle, but shall exclude the cost of a certificate of entitlement for the vehicle.

3. For the purposes of this Schedule —

"consumer goods" means goods purchased for personal, family or household purposes and not for the purposes of any trade or business;

SECOND SCHEDULE

Section 3 (1) and (3)

INFORMATION FOR PROSPECTIVE HIRERS

PROPOSED HIRE-PURCHASE AGREEMENT RELATING TO*

<i>Item</i>	<i>Description</i>
1.	Cash price of the goods For motor vehicles, the cash price should be reflected as — (a) price of motor vehicle; and (b) price of the certificate of entitlement
2.	Applied interest rate
3.	Effective interest rate
4.	Your instalments under the hire-purchase agreement will be paid every _____ day(s)/week(s)/month(s)
5.	Amount of each instalment
6.	Number of instalments
7.	Total interest
8.	Processing fees (if any)
9.	Other fees/charges, e.g. insurance charges, freight charges, etc. (please specify, if any)
10.	Total fees/charges (item 8 + item 9)
11.	Total interest plus total fees/charges (item 7 + item 10)
12.	Total amount payable (item 1 + item 11)
13.	Date of commencement of instalment payments

* Insert description of goods.

<i>Item</i>	<i>Description</i>
	ADDITIONAL CHARGES the owner will impose charges for early settlement of hire-purchase agreement:
14.	The method for calculating the balance payable upon early settlement ¹ : _____
	E.g. after __ years, the balance payable is: _____
15.	Early settlement fees (if any)
16.	Processing fees (if any)
17.	Notice period required (if any)
	ADDITIONAL CHARGES the owner will impose for assignment of right, title and interest under the hire-purchase agreement to new owner:
18.	The method for calculating the balance payable upon assignment ² : _____
	E.g. after __ years, the balance payable is: _____
19.	Processing fees (if any)
20.	Notice period required (if any)
	INTEREST RATE the owner will impose for overdue instalments:
21.	The interest charged will be _____ (on the overdue amount)
22.	Processing fees (if any)

¹ Owner should explain the method for calculating the balance payable upon early settlement and give an example of the balance payable after a specified number of years.

² Owner should explain the method for calculating the balance payable upon assignment and give an example of the balance payable after a specified number of years.

THIRD SCHEDULE

Section 4 (1)

NOTICE TO HIRERS

Under the provisions of the Hire-Purchase Act (Cap. 125) —

- (a) you are entitled to a copy of the agreement and a statement of account if you make a written request for either or both. You may not request such a copy or a statement more than once in 3 months. Statements will be supplied without charge. A copy of the agreement will be sent in response to your first request without charge. With any second or subsequent request, you must send the appropriate fee (which cannot exceed such amount as may be prescribed);
- (b) with the written consent of the owner, you can assign your rights under the hire-purchase agreement and he may not unreasonably refuse his consent;
- (c) you may, by notice in writing to the owner, require the owner to assign his right, title and interest under the agreement to another person;
- (d) you have the right to complete the agreement at any time; and
- (e) if you are unable to pay your instalments, you are entitled to return the goods to the owner at your own expense, but if you do you will be liable to pay an amount sufficient to cover the loss suffered by the owner.

FOURTH SCHEDULE

Section 15 (1)

NOTICE OF INTENTION TO REPOSSESS

GOODS*: _____

Take notice that....., owner of the above goods hired by you under an agreement dated the day of 20....., intends to retake possession of the goods after the expiration of 7 business days from the service of this notice unless you pay to the owner at on or before 20..... —

- (a) the arrears of instalments at the date of this notice \$.....
- (b) the interest due on overdue instalments at the date of this notice \$.....
- (c) any other amount owing under the agreement \$.....; and
- (d) such other instalments as have fallen due since the date of this notice, together with the interest due on such overdue instalments. \$.....

Total amount payable \$.....
Amount paid or provided by hirer to...../...../20..... \$.....
Arrears under the agreement to/...../20..... \$.....

* Insert description of goods.

FIFTH SCHEDULE

Sections 13 (3) and 15 (3)

NOTICE TO HIRERS AFTER REPOSSESSION OF GOODS

GOODS*: _____

1. Now that the goods you hired have been repossessed, you will be entitled to get them back —

- (a) if, within 7 business days, you require the owner, by notice in writing signed by you or your agent, to redeliver the goods to you and if, within 7 business days after giving the notice, you reinstate the agreement by paying the arrears of instalments and interest due on overdue instalments and remedy the following breaches of the agreement (or pay the owner's expenses in remedying them).

The owner's estimate of the amount you must pay to reinstate the agreement is —

Arrears of instalments	\$.....
Interest due on overdue instalments	\$.....
Cost of storage, repair or maintenance	\$.....
Cost of repossession	\$.....
Cost of redelivery	\$.....
Total	<u>\$</u>

or

- (b) if, within 7 business days, you give notice of your intention to finalise the agreement and pay the balance due under the agreement and cost of the repossession.

The owner's estimate of the amount required to finalise the agreement is —

Total amount payable under the agreement	\$.....
Less : deposit and instalments paid (if any)	\$.....
Balance due under agreement	\$.....
Add : cost of repossession	\$.....
Add : cost of storage, repair or maintenance	\$.....
Total	<u>\$</u>

* Insert description of goods.

2. If you do not reinstate or finalise the agreement, you will be liable for the owner's loss unless the value of the goods repossessed is sufficient to cover your liability. If the value of the goods is more than sufficient to cover your liability, you will be entitled to a refund.

The owner's estimate of the value of the goods repossessed is \$.....

²On the basis of that estimate you are entitled to a refund of \$.....

You are liable to pay the owner \$.....

Note.—You may give a written notice to the owner requiring the owner to sell the goods to any cash buyer you can introduce who is willing to pay the owner's estimate of the value, i.e.,[†]

Do Not Delay

3. Action to enforce your rights should be taken at once. You will lose your rights 7 business days after the service or posting of this notice if you do not take action.

Note.—Where this notice is sent to a guarantor, it shall be endorsed as follows:

4. This notice is sent to you as guarantor of _____.

5. As guarantor you have certain rights under the Hire-Purchase Act (Cap. 125) and you are advised to seek advice at once.

²Delete whichever is inapplicable.

[†]Insert owner's estimate of value.².