

MAS NOTICE 115 (AMENDMENT NO. 2) 2020

Issued on: 5 April 2020

RESIDENTIAL PROPERTY LOANS

Introduction

- 1 For presentational purposes, the amendments in this document are compared against the version of MAS Notice 115 last revised on 17 February 2020.
- 2 This document shall be interpreted as follows:
 - (a) Text which is coloured and struck through represents deletion which will not appear in the untracked version of MAS Notice 115 last revised on 5 April 2020 which is published on MAS' website www.mas.gov.sg ("Published Version"); and
 - (b) Text which is coloured and underlined represents insertion which will appear in the Published Version.
- 3 The amendments reflected in this document shall take effect on 6 April 2020.
- 4 This document is to be used for reference only. In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail.



MAS NOTICE 115

27 August 2013

Last revised on ~~17 February~~ 5 April 2020

NOTICE TO DIRECT INSURERS INSURANCE ACT, CAP 142

(MAS Notice 115 dated 13 January 2011 and last revised on 28 June 2013 is cancelled with effect from 28 August 2013.)

RESIDENTIAL PROPERTY LOANS

1. This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) (the “Act”) and applies to all direct insurers.

Total Credit Facilities Not to Exceed Relevant Amount

2. A direct insurer shall not grant –
 - (a) any credit facility for the purchase of Residential Property to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle; or
 - (b) any credit facility otherwise secured by Residential Property to a Borrower who is an Individual or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle,

where the aggregate of –

- (c) the amount granted under the credit facility;
- (d) the balance outstanding under any other credit facility granted by any financial institution regulated by the Authority or moneylender
 - (i) for the purchase of that Residential Property; or
 - (ii) otherwise secured by that Residential Property; and
- (e) the balance outstanding under any Vendor’s Loan for the purchase of that Residential Property,

exceeds the Relevant Amount.

[MAS Notice 115 (Amendment) 2017]

Credit Facilities for Purchase of Residential Property

Prohibition of Interest-only Loans

3. A direct insurer shall not grant any credit facility for the purchase of Residential Property where the terms and conditions of the credit facility provide for an interest-only loan under which only interest is payable and none of the principal amount under the credit facility is repayable for a certain period during the term of the credit facility.

Prohibition of Interest Absorption Schemes

4. A direct insurer shall not –
 - (a) grant any credit facility for the purchase of Residential Property where the vendor of the Residential Property, its agent, nominee or any other party by arrangement with the vendor has under an interest absorption scheme agreed to pay any of the interest which is payable in respect of the credit facility; or
 - (b) enter into any agreement or other arrangement with a vendor of Residential Property for the purpose of giving effect to a scheme referred to in sub-paragraph (a).

Purchaser's Contribution

5. A direct insurer shall not disburse funds under any credit facility for the purchase of Residential Property until the Borrower has paid, out of funds not obtained through any credit facility granted by any financial institution regulated by the Authority or moneylender, or any Vendor's Loan, at least the difference between –
 - (a) the purchase price of the Residential Property; and
 - (b) the Relevant Amount,

which difference shall include a minimum cash payment of Cash% as referred to in paragraph 30(t).

Verification by the Direct Insurer

Declaration

6. A direct insurer granting a credit facility for the purchase of Residential Property shall obtain a written declaration from the Borrower on –
 - (a) whether the Borrower is applying for the grant of the credit facility for his own use or for the benefit of any other party;
 - (b) whether any discount, rebate or any other benefit (including the payment of legal or stamp fees for the purchase) which has the effect of reducing the true purchase price has been or will be received from the vendor or any other party, and the amount of such discount, rebate or benefit;
 - (c) whether any interest in respect of any credit facility relating to the purchase is paid or payable by the vendor, its agent, nominee or any other person by arrangement with the vendor, irrespective of whether payment is made to the direct insurer or as a benefit to the Borrower, or in the case where the Borrower is a vehicle set up for

the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, and the amount paid or payable; and

- (d) whether any credit facility was granted by any financial institution regulated by the Authority or moneylender for the purchase of, or otherwise secured by, that Residential Property and whether any Vendor's Loan was granted for the purchase of that Residential Property, and if so, the amount of such credit facility or Vendor's Loan.

[MAS Notice 115 (Amendment) 2017]

Checks with Credit Bureaus and HDB

- 7. Prior to the grant of a credit facility for the purchase of Residential Property, a direct insurer shall conduct or cause to be conducted comprehensive checks with one or more credit bureaus and the HDB, as may be relevant, on the information held by such parties –

- (a) to verify whether the Borrower, at the time of applying for the credit facility, has any outstanding credit facility for the purchase of any other Residential Property;
- (b) to comply with paragraphs 2 and 5; and
- (c) to assess the credit worthiness of the Borrower,

and where the Borrower reasonably satisfies the direct insurer that the direct insurer should take into account additional information in order to ascertain whether or not the Borrower has an outstanding credit facility for the purchase of any other Residential Property, or whether or not the Borrower is credit worthy, the direct insurer may supplement the information held by any one or more credit bureaus or the HDB with information provided by the Borrower from any credible third party source.

- 8. For the purpose of determining the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, who at the time of applying for a credit facility for the purchase of Residential Property has any outstanding credit facility for the purchase of any other Residential Property that the Borrower, the vehicle or the Individual, as the case may be, owns, either by itself or jointly,
 - (a) a direct insurer shall apply the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly owns the vehicle, or any part thereof, as if the Borrower does not have that outstanding credit facility for the purchase of another Residential Property, if the Borrower, or the vehicle and the Individual, as the case may be, reasonably satisfies the direct insurer that before the disbursement of any funds under the credit facility applied for,
 - (i) in the case where the credit facility applied for is for the purchase of a Residential Property, being an EC and the minimum occupation period of the EC has not expired or a HDB Flat, it will take steps, in accordance with paragraph 9(a), to sell such other existing Residential Property and the direct insurer obtains a written declaration from the Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the

vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, that it will be the owner, either by itself or jointly, of the Residential Property to be purchased and that it will take steps to sell such other existing Residential Property;

- (ii) in the case where the credit facility applied for is for the purchase of a Residential Property in any other case, it has taken steps to sell such other existing Residential Property, for the purchase of which there is an outstanding credit facility, in accordance with paragraph 9(b); or
 - (iii) it has discharged that outstanding credit facility for the purchase of such other existing Residential Property; and
- (b) in any other case, the direct insurer shall apply the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, who has an outstanding credit facility for the purchase of another Residential Property.

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment) 2018]

9. A Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, shall reasonably satisfy a direct insurer, by providing –

- (a) in a case falling within paragraph 8(a)(i), a copy of its signed undertaking to the HDB committing to complete the sale of such other existing Residential Property within the period stipulated in the undertaking;
- (b) in a case falling within paragraph 8(a)(ii),
 - (i) where such other existing Residential Property of the Borrower, or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, is a private property or an EC, a sale and purchase agreement signed by both the Borrower (as the seller) or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual (as the seller), and the party to whom he has sold the property, as well as a certificate from IRAS showing that stamp duty has been paid on the signed agreement; or
 - (ii) where such other existing Residential Property of the Borrower, or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, is a HDB Flat, a letter from the HDB approving the sale of the HDB Flat.

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment) 2018]

10. Subject to paragraph 11, paragraph 7 shall only apply to a Borrower who is an Individual including an Individual who directly or indirectly holds a vehicle, or any part thereof, set up for the purchase of Residential Property.

[MAS Notice 115 (Amendment) 2017]

11. Paragraphs 7(a) and 7(b) shall not apply to a Borrower who is an Individual including an Individual who directly or indirectly holds a vehicle, or any part thereof, set up for the purchase of Residential Property, for the purposes of computing the Relevant Amount as defined in paragraph 30(t) where the LTV% to be applied by the direct insurer is equal to or less than 15% and the Cash% to be paid by the Borrower is equal to or greater than 25%.

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment) 2018]

Other Reasonable Steps

12. A direct insurer granting a credit facility for the purchase of Residential Property shall take such other reasonable steps necessary to comply with paragraphs 2 and 5.

Credit Facilities Otherwise Secured By Residential Property

13. The following paragraphs shall apply *mutatis mutandis* to the granting of a credit facility otherwise secured by Residential Property:

- (a) paragraphs 3, 6(a) and 6(d) if a Borrower is an Individual or a vehicle set up for the purchase of Residential Property;
- (b) paragraphs 7, 8, 9 and 10;
- (c) paragraph 11 (excluding the reference to the Cash%) if the LTV% to be applied by the direct insurer is equal or less than 45%; and
- (d) paragraph 12 (excluding the reference to compliance with paragraph 5).

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment 2) 2017]

[MAS Notice 115 (Amendment) 2018]

Re-financing Facilities

Re-financing Facilities for the Purchase of Residential Property

14. Subject to paragraph 15, paragraphs 3 and 7(c) (only in the case where a Borrower is an Individual) shall apply *mutatis mutandis* to the grant of a Re-Financing Facility for the purchase of Residential Property.

15. Paragraph 3 shall not apply in respect of the grant of a Re-Financing Facility for the purchase of Residential Property where such Re-Financing Facility is the consequence of a credit facility that is restructured because of deterioration in the financial position of the Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, resulting in the inability of the Borrower or the vehicle, as the case may be, to meet the original repayment schedule.

[MAS Notice 115 (Amendment) 2017]

Re-financing Facilities for a Credit Facility Otherwise Secured by Residential Property

16. Subject to paragraph 17, the following paragraphs shall apply *mutatis mutandis* to the granting of a Re-financing Facility for a credit facility otherwise secured by Residential Property:
- (a) paragraphs 2, 7(a), 7(b), 8 and 9;
 - (b) paragraphs 3, 6(a) and 6(d) if a Borrower is an Individual or a vehicle set up for the purchase of Residential Property;
 - (c) paragraph 7(c) if a Borrower is an Individual;
 - (d) paragraph 11 (excluding the reference to the Cash%) if the LTV% to be applied by the direct insurer is equal or less than 45%; and
 - (e) paragraph 12 (excluding the reference to compliance with paragraph 5).

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment 2) 2017]

[MAS Notice 115 (Amendment) 2018]

17. Paragraph 3 (only in the case where a Borrower is an Individual or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle) shall not apply in respect of the grant of a Re-Financing Facility for a credit facility otherwise secured by Residential Property where such Re-Financing Facility is the consequence of a credit facility that is restructured because of deterioration in the financial position of the Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, resulting in the inability of the Borrower or the vehicle, as the case may be, to meet the original repayment schedule.

[MAS Notice 115 (Amendment) 2017]

Excluded Facilities

18. In the case of a Bridging Loan –
- (a) paragraphs 2 to 6, 7(a), 7(b), and 8 to 17 shall not apply in respect of the grant of a Bridging Loan; and

- (b) paragraph 7(c) shall not apply in respect of the grant of a Bridging Loan except where the Borrower is an Individual including an Individual who directly or indirectly holds a vehicle, or any part thereof, set up for the purchase of Residential Property.

[MAS Notice 115 (Amendment) 2017]

19. Paragraphs 2 to 17 shall not apply to any credit facility (including any Re-financing Facility) granted by a direct insurer to a Borrower who is a Property Developer to purchase Residential Property for development.

[MAS Notice 115 (Amendment) 2017]

20. In the case of –

- (a) a credit facility that is secured by a pool of collateral including Residential Property and the application date of such credit facility is prior to 6 July 2018; or
- (b) a Re-financing Facility for a credit facility that is secured by a pool of collateral including Residential Property and the application date of the original credit facility is prior to 6 July 2018, and

where the market valuation of the collateral which is not Residential Property less the value of any encumbrance comprises at least 50% of the credit limit of the credit facility at all times –

- (i) paragraphs 2 to 6, 7(a), 7(b), and 8 to 17 shall not apply in respect of the grant of the credit facility; and
- (ii) paragraph 7(c) shall not apply in respect of the grant of the credit facility except where the Borrower is an Individual including an Individual who directly or indirectly holds a vehicle, or any part thereof, set up for the purchase of Residential Property, in which case paragraph 7(c) shall apply *mutatis mutandis* to the grant of the credit facility.

[MAS Notice 115 (Amendment) 2017]

[MAS Notice 115 (Amendment) 2018]

- 20A. Paragraphs [3](#) and [21 to 24AB](#) shall not apply to any credit facility (including any Re-financing Facility) as may be specified by notice in writing.

[MAS Notice 115 (Amendment) 2020]

Tenure of Credit and Re-Financing Facilities

21. Subject to paragraph 22, a direct insurer shall not grant –

- (a) any credit facility for the purchase of Residential Property;
- (b) any credit facility otherwise secured by Residential Property; or
- (c) any Re-financing Facility for a credit facility otherwise secured by Residential Property,

to any Borrower where the tenure of the relevant credit facility exceeds 35 years.

22. A direct insurer shall not grant any credit facility for the purchase of a HDB Flat to any Borrower where the tenure of the credit facility exceeds 30 years except where the Borrower provides the direct insurer with a Letter of Invitation from the HDB, in which case the direct insurer may grant a credit facility for the purchase of a HDB Flat where the tenure of such credit facility does not exceed 35 years.
23. Subject to paragraphs 23A, 23B, 23C and 24, where the application date for a Re-financing Facility for the purchase of Residential Property is on or after 6 October 2012, a direct insurer may only grant such Re-financing Facility where the sum of –
- (a) the tenure of the Re-financing Facility; and
 - (b) the period between the first time monies are disbursed under the Re-financing Facility and the first time monies were disbursed under the first credit facility granted to the Borrower for the purchase of that Residential Property,
- does not exceed 35 years.

[MAS Notice 115 (Amendment) 2014]
[MAS Notice 115 (Amendment) 2018]

23A. Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 6 October 2012; and
- (b) the Residential Property is for the occupation of one or more persons which shall include the Borrower,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-Financing Facility does not exceed the higher of –

- (i) the difference between 35 years and the period set out in paragraph 23(b); and
- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be.¹

¹ Example 1: A Borrower was granted a 44-year credit facility for the purchase of a Residential Property (which is not a HDB Flat), where the option to purchase was granted on 15 October 2011. The credit facility was first disbursed on 1 January 2012. Should the Borrower re-finance the credit facility on 1 January 2015, a direct insurer may grant him a Re-financing Facility with tenure of up to 41 years (i.e. 44 years minus 3 years) if he is occupying the Residential Property.

Example 2: A Borrower was granted a 15-year credit facility for the purchase of a Residential Property (which is not a HDB Flat), where the option to purchase was granted on 15 October 2011. The credit facility was first disbursed on 1 January 2012. Should the Borrower re-finance the credit facility on 1 January 2015, a direct insurer may grant the Borrower a Re-financing Facility with tenure of up to 32 years (i.e. 35 years minus 3 years) if he is occupying the Residential Property.

Example 3: A Borrower was granted a 30-year credit facility for the purchase of a Residential Property (which is not a HDB Flat), where the option to purchase was granted on 15 October 2008. The credit facility was first disbursed on 1 January 2009. The Borrower re-financed the credit facility on 1 January 2012 and increased the loan tenure to 36 years. Should he re-finance again on 1 January 2015, a direct insurer may grant the

23B. Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 6 October 2012;
- (b) the Residential Property is not for the occupation of the Borrower; and
- (c) the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is the difference between 35 years and the period set out in paragraph 23(b), does not exceed the threshold as stipulated in the TDSR Guidelines,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-financing Facility does not exceed the higher of –

- (i) the difference between 35 years and the period set out in paragraph 23(b); and
- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be.

23C. Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 6 October 2012;
- (b) the Residential Property is not for the occupation of the Borrower; and
- (c) the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is the difference between 35 years and the period set out in paragraph 23(b), exceeds the threshold as stipulated in the TDSR Guidelines,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-financing Facility does not exceed the higher of –

- (i) the difference between 35 years and the period set out in paragraph 23(b); and
- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period

Borrower a Re-financing Facility with tenure of up to 33 years (i.e. 36 years minus 3 years) if he is occupying the Residential Property.

between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be,

provided that the Borrower commits to a Debt Reduction Plan at the time of application of the Re-financing Facility.²

[MAS Notice 115 (Amendment) 2018]

24. Subject to paragraphs 24A, 24AA and 24AB, where the application date for a Re-financing Facility for the purchase of Residential Property (where the Residential Property is a HDB Flat) is on or after 28 August 2013, a direct insurer may only grant such Re-financing Facility where the sum of –

- (a) the tenure of the Re-financing Facility; and
- (b) the period between the first time monies are disbursed under the Re-financing Facility and the first time monies were disbursed under the first credit facility granted to the Borrower for the purchase of that HDB Flat,

does not exceed 30 years.

[MAS Notice 115 (Amendment) 2014]
[MAS Notice 115 (Amendment) 2018]

24A. Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 28 August 2013; and
- (b) the Residential Property is for the occupation of one or more persons which shall include the Borrower,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-Financing Facility does not exceed the higher of –

- (i) the difference between 30 years and the period set out in paragraph 24(b); and

² Example 4: A Borrower was granted a 44-year credit facility for the purchase of a Residential Property (which is not a HDB Flat), where the option to purchase was granted on 15 October 2011. The credit facility was first disbursed on 1 January 2012. The Borrower is seeking to re-finance the credit facility on 1 January 2015. He is not occupying the Residential Property. The direct insurer can grant him a Re-financing Facility with tenure of up to 41 years (i.e. 44 years minus 3 years) only if –

- (i) the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is 32 years (35 years minus 3 years), does not exceed the threshold as stipulated in the TDSR Guidelines; or
- (ii) where the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is 32 years (35 years minus 3 years), exceeds the threshold as stipulated in the TDSR Guidelines, the Borrower commits to a Debt Reduction Plan.

- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be.

[MAS Notice 115 (Amendment) 2014]

24AA.Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 28 August 2013;
- (b) the Residential Property is not for the occupation of the Borrower; and
- (c) the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is the difference between 30 years and the period set out in paragraph 24(b), does not exceed the threshold as stipulated in the TDSR Guidelines,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-financing Facility does not exceed the higher of –

- (i) the difference between 30 years and the period set out in paragraph 24(b); and
- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be.

[MAS Notice 115 (Amendment) 2018]

24AB.Where –

- (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is prior to 28 August 2013;
- (b) the Residential Property is not for the occupation of the Borrower; and
- (c) the total debt servicing ratio of the Borrower, computed based on the assumption that the tenure of the Re-financing Facility is the difference between 30 years and the period set out in paragraph 24(b), exceeds the threshold as stipulated in the TDSR Guidelines,

a direct insurer may grant a Re-financing Facility for the purchase of Residential Property where the tenure of such Re-financing Facility does not exceed the higher of –

- (i) the difference between 30 years and the period set out in paragraph 24(b); and

- (ii) the difference between the tenure of the latest credit facility for the purchase of the Residential Property or latest Re-financing Facility for the purchase of the Residential Property, as the case may be, granted to the Borrower and the period between the first disbursement of monies under such Re-financing Facility and the latest credit facility or latest Re-financing Facility, as the case may be,

provided that the Borrower commits to a Debt Reduction Plan at the time of application of the Re-financing Facility.

[MAS Notice 115 (Amendment) 2018]

24B. For the purpose of determining whether a Re-financing Facility for the purchase of Residential Property qualifies for the exceptions under paragraph 23A or 24A, a direct insurer shall obtain from the Borrower:

- (a) a copy of the option to purchase or where there is no option to purchase, a copy of the sale and purchase agreement, in respect of:
 - (i) the Residential Property (where it is not a HDB Flat), which shall be granted or dated prior to 6 October 2012; or
 - (ii) the Residential Property (where it is a HDB Flat), which shall be granted or dated prior to 28 August 2013; and
- (b) a written declaration from the Borrower that the Residential Property is for the occupation of one or more persons which shall include the Borrower;
- (c) a printout of the Borrower's "My Property Portfolio" page in myTax Portal at www.iras.gov.sg, listing the tax rate levied on the Residential Property as "owner-occupier"; and
- (c) a front and back copy of the National Registration Identification Card of the Borrower, where the address of the Borrower that is reflected on the National Registration Identification Card is the same as the Residential Property being re-financed.

[MAS Notice 115 (Amendment) 2014]

24C. For the purpose of determining whether a Re-financing Facility for the purchase of Residential Property qualifies for the exceptions under paragraph 23B, 23C, 24AA or 24AB, a direct insurer shall obtain from the Borrower a copy of the option to purchase or where there is no option to purchase, a copy of the sale and purchase agreement, in respect of:

- (a) the Residential Property (where it is not a HDB Flat), which shall be granted or dated prior to 6 October 2012; or
- (b) the Residential Property (where it is a HDB Flat), which shall be granted or dated prior to 28 August 2013.

[MAS Notice 115 (Amendment) 2018]

Borrower to be a Mortgagor

25. Subject to paragraph 26, a direct insurer shall not grant –

- (a) any credit facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013; or
- (b) any Re-financing Facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013,

to any Borrower where the Borrower is not the mortgagor, either by himself or jointly, in respect of the Residential Property which is used to secure that credit facility.

[MAS Notice 115 (Amendment) 2017]

- 26. Paragraph 25 shall not apply where a credit facility or Re-financing Facility referred to in paragraphs 25(a) and 25(b) respectively is not secured by the Residential Property for which the credit facility or the Re-financing Facility, as the case may be, is granted.

[MAS Notice 115 (Amendment) 2017]

Documentation

- 27. A direct insurer shall include Party B referred to in paragraph 30(b)(ii) as a Borrower in all relevant documentation relating to the credit facility or re-financing facility, as the case may be, and any information provided by the direct insurer to credit bureaus.
- 28. A direct insurer shall include in the case of a Borrower which is a vehicle set up for the purchase of Residential Property, the Individual who directly or indirectly holds the vehicle, or any part thereof, as a Borrower in any information provided by the direct insurer to credit bureaus.

[MAS Notice 115 (Amendment) 2017]

Due Diligence

- 29. Where a Borrower applies for a credit facility otherwise secured by Residential Property, a direct insurer shall conduct due diligence to ascertain if the Borrower is a vehicle set up for the purchase of Residential Property.

[MAS Notice 115 (Amendment) 2017]

- 29A. For the purpose of paragraph 30(t), a direct insurer shall obtain from the Borrower:
 - (a) In the case of a credit facility for the purchase of Residential Property, a copy of the option to purchase, or where there is no option to purchase, a copy of the sale and purchase agreement, to verify the date on which the option to purchase was granted or the date of the sale and purchase agreement, as the case may be; and
 - (b) In the case of a Re-financing Facility for a credit facility otherwise secured by Property, any loan agreement or statement from an independent source to verify the application date of the original credit facility.

[MAS Notice 115 (Amendment) 2018]

Definitions and Interpretation

- 30. In this Notice,

- (a) "Adjusted Purchase Price" means the purchase price after the deduction of –
- (i) the amount of any discount, rebate, or any other benefit (including the payment of legal or stamp fees for the purchase) offered by the vendor or any other party, whether directly or indirectly, arising from or resulting in the purchase of a Residential Property or in obtaining any credit facility for the purchase of a Residential Property, and which has the effect of reducing the true purchase price; and
 - (ii) any interest in respect of any credit facility relating to the purchase which is paid or payable by the vendor, its agent, nominee or any other person by arrangement with the vendor, irrespective of whether payment is made to the direct insurer or as a benefit to the Borrower, or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof,

and the amount of interest referred to in sub-paragraph (a)(ii) shall be the amount declared by the Borrower under paragraph 6(c) as verified by the direct insurer against documents evidencing the amount paid or payable, and in the event of any uncertainty over the amount of interest at the time of granting of the credit facility, the direct insurer shall make its best estimate of such amount based on documents evidencing the amount paid or payable and prevailing interest rates;

[MAS Notice 115 (Amendment) 2017]

- (b) "Borrower" means –
- (i) any person (Party A) applying for a credit facility, and may be an Individual or not an Individual; or
 - (ii) any person (Party B), who contributes towards the payment of any part of the monthly repayment instalment of Party A, in relation to:
 - (A) any credit facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013;
 - (B) any Re-financing Facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013;
 - (C) any credit facility otherwise secured by Residential Property, the application date of which is on or after 29 June 2013; or
 - (D) any Re-financing Facility for a credit facility otherwise secured by Residential Property where –
 - (I) in the case the Borrower, mortgagor, guarantor and any other party (other than the direct insurer granting the Re-financing Facility) to such Re-financing Facility are the same as in the credit facility otherwise secured by Residential Property, the application date of the credit facility otherwise secured by Residential Property is on or after 29 June 2013; or
 - (II) in the case the Borrower, mortgagor, guarantor or any other party (other than the direct insurer granting the Re-financing Facility) to such

Re-financing Facility is different from the credit facility otherwise secured by Residential Property, the application date of such Re-financing Facility is on or after 29 June 2013,

arising from Party A having been assessed by a direct insurer, at the time of applying for a credit facility, to be unable to pay any part of the monthly repayment instalment, and for this purpose, Party B may be an Individual or not an Individual.

In the case where the Borrower is a vehicle set up for the purchase of Residential Property, the Individual who directly or indirectly holds the vehicle or any part thereof, shall be deemed as the Borrower for the purposes of complying with the requirements set out in the Notice, unless otherwise specified;

[MAS Notice 115 (Amendment) 2017]

- (c) "Borrower which is not an Individual", for the avoidance of doubt, includes but is not limited to the following, whether formed, incorporated, established or existing in Singapore or outside Singapore –
- (i) a corporation as defined in section 4(1) of the Companies Act (Cap. 50);
 - (ii) a trust, a collective investment scheme as defined in section 2(1) of the Securities and Futures Act (Cap. 289) or a business trust as defined in section 2 of the Business Trusts Act (Cap. 31A);
 - (iii) a society as defined in section 2 of the Societies Act (Cap. 311);
 - (iv) a society as defined in section 2(1) of the Co-Operative Societies Act (Cap. 62);
 - (v) a limited liability partnership as defined in section 2(1) of the Limited Liability Partnerships Act (Cap. 163A);
 - (vi) a partnership as defined in section 1 of the Partnership Act (Cap. 391), including a limited partnership formed pursuant to the Limited Partnerships Act (Cap. 163B);

and any person acting on behalf of such a Borrower;

- (d) "Bridging Loan" means a credit facility granted for the purchase of Residential Property by the Borrower, pending the receipt of proceeds from the sale of another Residential Property owned or co-owned by the Borrower, under which any balance outstanding shall be repaid within six months;
- (e) "CPF" means any amount withdrawn from any Central Provident Fund account for payment towards the purchase price of the Residential Property (including any Central Provident Fund grant for the purchase of the Residential Property but does not include any amount withdrawn for payment of stamp duties or legal fees);

[MAS Notice 115 (Amendment) 2017]

- (f) "CPF Board" means the Central Provident Fund Board, a body corporate established under the Central Provident Fund Act (Cap. 36);

- (fa) “Debt Reduction Plan” has the same meaning as in paragraph 2 of MAS Notice 128 to Direct Insurers;

[MAS Notice 115 (Amendment) 2018]

- (g) “EC” means housing accommodation provided under the executive condominium scheme as defined in section 2 of the Executive Condominium Housing Scheme Act (Chapter 99A);
- (h) “HDB” means the Housing and Development Board, a body corporate established under the Housing and Development Act (Cap. 129);
- (i) “HDB Flat” means –
- (i) a flat, house or living accommodation sold by the HDB under the provisions of Part IV of the Housing and Development Act (Cap. 129); or
 - (ii) a housing accommodation, as defined in section 65M of the Housing and Development Act, sold by an approved developer (as defined in the same section of the same Act) under Part IVB of the same Act;
- (j) “Individual” means a natural person;
- (k) “IRAS” means the Inland Revenue Authority of Singapore, a body corporate established under the Inland Revenue Authority of Singapore Act (Cap. 138A);
- (l) “Letter of Invitation from the HDB” means a letter from the HDB, inviting a Borrower to select a HDB Flat from a sales exercise launched before July 2013;
- (la) “minimum occupation period” has the same meaning as in section 2(1) of the Executive Condominium Housing Scheme Act (Cap. 99A);

[MAS Notice 115 (Amendment) 2018]

- (m) “moneylender” has the same meaning as a moneylender as defined in section 2 of the Moneylenders Act (Cap. 188) but does not include an exempt moneylender as defined in the same section;
- (n) “monthly repayment instalment” means the sum of the monthly repayment of the principal amount and the monthly payment of interest under a credit facility;
- (o) “outstanding credit facility” means –
- (i) a credit facility for the purchase of Residential Property; or
 - (ii) a Re-financing Facility for the purchase of Residential Property, obtained from the HDB, a financial institution regulated by the Authority or a moneylender in the name of the Borrower or jointly with another Borrower, where -
 - (iii) the funds under the credit facility referred to in sub-paragraph (i) or the Re-financing Facility referred to in sub-paragraph (ii) have been disbursed but not fully repaid; or

- (iv) the funds under the credit facility referred to in sub-paragraph (i) or the Re-financing Facility referred to in sub-paragraph (ii) have not been disbursed;
- (p) “Property Developer” means a person carrying on the business of property development;
- (q) “Re-financing Facilities” means any Re-financing Facility for the purchase of Residential Property and any Re-financing Facility for a credit facility otherwise secured by Residential Property;
- (r) “Re-financing Facility for a credit facility otherwise secured by Residential Property” means in relation to a Residential Property, a credit facility granted for the sole purpose of enabling a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, to repay –
 - (i) the balance outstanding under a credit facility obtained by the Borrower which is otherwise secured by that Residential Property; or
 - (ii) the balance outstanding under a credit facility obtained by the Borrower for the re-financing of any credit facility otherwise secured by that Residential Property.

For the avoidance of doubt, a credit facility granted for the sole purpose of enabling a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, to repay the balance outstanding amount referred to in sub-paragraphs (i) and (ii) above by the same direct insurer which had granted the preceding credit facility otherwise secured by that Residential Property or Re-financing Facility for a credit facility otherwise secured by Residential Property to the Borrower, shall be a Re-financing Facility for a credit facility otherwise secured by Residential Property;

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- (s) “Re-financing Facility for the purchase of Residential Property” means in relation to a Residential Property, a credit facility granted for the sole purpose of enabling a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, to repay –
 - (i) the balance outstanding under a credit facility obtained by the Borrower for the purchase of that Residential Property; or
 - (ii) the balance outstanding under a credit facility obtained by the Borrower for the re-financing of any credit facility in respect of the purchase of that Residential Property.

For the avoidance of doubt, a credit facility granted for the sole purpose of enabling a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, to repay the balance outstanding amount referred to in sub-paragraphs (i) and (ii) above by the same direct insurer which had granted the preceding credit facility for the purchase of that Residential Property or Re-financing Facility for the purchase of Residential Property to the Borrower, shall be a Re-financing Facility for the purchase of Residential Property;

(t) “Relevant Amount” means –

(i) for a Borrower who is an Individual applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property, a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property,

(A) $LTV\% \times V$

(where the balance shall include the Cash%); or

(B) $[(100\% - \text{Cash}\%) \times V] - \text{CPF}$,

whichever is lower,

where “LTV%” is the loan-to-value ratio and “Cash%” is the amount to be paid in cash, both of which are percentages determined in accordance with the table below:

Borrower who is an Individual applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property, a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property			
Scenario	LTV%	Cash%	Description
(1)	80%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011 but prior to 6 July 2018, and the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property.
(1A)	80%	-	In the case of a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is prior to 6 July 2018, and the Borrower, at the time of applying for the Re-financing Facility, does not have any outstanding credit facility for the purchase of another Residential Property.

(2)	80%	5%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the tenure of the credit facility is less than or equal to 30 years; and (d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(3)	80%	5%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 25 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.

(4)	80%	5%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 30 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(4A)	75%	-	<p>In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 6 July 2018, and the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property.</p>
(4B)	75%	-	<p>In the case of a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is on or after 6 July 2018, and the Borrower, at the time of applying for the Re-financing Facility, does not have any outstanding credit facility for the purchase of another Residential Property.</p>
(4C)	75%	5%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of

			<p>the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(4D)	75%	5%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(5)	60%	10%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have</p>

			<p>any outstanding credit facility for the purchase of another Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(6)	60%	10%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(7)	60%	10%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p>

			<p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(7A)	55%	10%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>

(7B)	55%	10%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(8)	60%	-	<p>In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011 but prior to 6 July 2018, and the Borrower, at the time of applying for the credit facility, has any outstanding credit facility for the purchase of another Residential Property.</p>
(8A)	60%	-	<p>In the case of a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is prior to 6 July 2018, and the Borrower, at the time of applying for the Re-financing Facility, has any outstanding credit facility for the purchase of another Residential Property.</p>
(9)	50%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p>

			<p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(10)	50%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB;</p> <p>(d) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(11)	50%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p>

			<p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(11A)	45%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 6 July 2018, and the Borrower, at the time of applying for the credit facility, has any outstanding credit facility for the purchase of another Residential Property.
(11B)	45%	-	In the case of a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is on or after 6 July 2018, and the Borrower, at the time of applying for the Re-financing Facility, has any outstanding credit facility for the purchase of another Residential Property.
(11C)	45%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 30 years; and</p>

			(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(11D)	45%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(12)	30%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the</p>

			Borrower, at the time of applying for the credit facility, exceeds 65 years.
(13)	30%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(14)	30%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p>

			<p>(d) if the –</p> <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 30 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(14A)	25%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property; and (c) if the – <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 30 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(14B)	25%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property; and

			<p>(c) if the –</p> <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 25 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(15)	40%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; (c) the tenure of the credit facility is less than or equal to 30 years; and (d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(16)	40%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018; (b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; (c) the Borrower does not provide the direct insurer with a Letter of Invitation

			<p>from the HDB;</p> <p>(d) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(17)	40%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB;</p> <p>(d) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(17A)	35%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p>

			<p>(c) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(17B)	35%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(18)	20%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p>

			(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(19)	20%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(20)	20%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013 but prior to 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p>

			<p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(20A)	15%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(20B)	15%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential</p>

			Property; and (c) if the – (i) tenure of the credit facility exceeds 25 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
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- (ii) notwithstanding sub-paragraph (i), for a Borrower who is an Individual applying for a credit facility for the indirect purchase of a Residential Property, 15% of the current market valuation of the Residential Property held by the vehicle set up for the purchase of Residential Property at the time of application of the credit facility by the Individual;
- (iii) for a Borrower which is not an Individual or which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property, $LTV\% \times V$, where “LTV%” is the loan-to-value ratio, a percentage determined in accordance with the table below:

Borrower which is not an Individual or which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property		
Scenario	LTV%	Description
(21)	20%	The date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 12 January 2013 but prior to 6 July 2018.
(21A)	15%	The date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 6 July 2018.

and

- (iv) for a Borrower which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property, $LTV\% \times V$, where “LTV%” is the loan-to-value ratio determined in accordance with the table below:

Borrower which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property

Scenario	LTV%	Cash%	Description
(22)	80%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011 but prior to 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, does not have any outstanding credit facility for the purchase of another Residential Property at the time of applying for the credit facility.
(22A)	80%	-	In the case of Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is prior to 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, does not have any outstanding credit facility for the purchase of another Residential Property at the time of applying for the Re-financing Facility.
(22B)	75%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, does not have any outstanding credit facility for the purchase of another Residential Property at the time of applying for the credit facility.
(22C)	75%	-	In the case of Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is on or after 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, does not have any outstanding credit facility for the purchase of another Residential Property at the time of applying for the Re-financing Facility.

(23)	60%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011 but prior to 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, has any outstanding credit facility for the purchase of another Residential Property at the time of applying for the credit facility.
(23A)	60%	-	In the case of Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is prior to 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, has any outstanding credit facility for the purchase of another Residential Property at the time of applying for the Re-financing Facility.
(23B)	45%	-	In the case of a credit facility otherwise secured by Residential Property, the application date is on or after 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, has any outstanding credit facility for the purchase of another Residential Property at the time of applying for the credit facility.
(23C)	45%	-	In the case of Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date of the original credit facility is on or after 6 July 2018, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, has any outstanding credit facility for the purchase of another Residential Property at the time of applying for the Re-financing Facility.

[MAS Notice 115 (Amendment) 2017]
[MAS Notice 115 (Amendment) 2018]

- (u) "Residential Property" means property in Singapore, which –
- (i) is permitted under the Planning Act (Cap. 232) for use solely or partly for residential purposes, including a HDB Flat; or
 - (ii) in accordance with its zoning in the Master Plan is permissible for use solely or partly for residential purposes.

(ua) "total debt servicing ratio" means the total debt servicing ratio as computed under MAS Notice 128 to Direct Insurers;

[MAS Notice 115 (Amendment) 2018]

(ub) "TDSR Guidelines" means the Guidelines on the Application of Total Debt Servicing Ratio for Property Loans under MAS Notices 645, 1115, 831 and 128;

[MAS Notice 115 (Amendment) 2018]

(v) "V", in relation to Relevant Amount, means –

(i) subject to sub-paragraph (ia), in respect of a credit facility for the purchase of Residential Property, the Adjusted Purchase Price or current market valuation of a Residential Property, whichever is lower;

(ia) in respect of a credit facility for the purchase of a Residential Property that is a resale HDB Flat and the option to purchase was granted on or after 1 January 2018, or where there is no option to purchase, the date of the sale and purchase agreement is on or after 1 January 2018 -

(A) the value confirmed by HDB, as provided on the HDB Resale Portal, that can be used as the basis for obtaining a credit facility for the purchase of the Residential Property less the amount of any discount, rebate, or any other benefit (including the payment of legal or stamp fees for the purchase) offered by the vendor or any other party, whether directly or indirectly, arising from or resulting in the purchase of the Residential Property or in obtaining any credit facility for the purchase of the Residential Property, and which has the effect of reducing the true purchase price; or

(B) where a current market valuation of the Residential Property has been obtained, the current market valuation,

whichever is lower; and

[MAS Notice 115 (Amendment 2) 2017]

(ii) in respect of a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property, the current market valuation of the Residential Property;

(w) "vehicle set up for the purchase of Residential Property" means a shell company with no substantive business in genuine commercial activities set up primarily for the purchase of Residential Property which is held or any part thereof is held, directly or indirectly by any Individual, and which may obtain a credit facility for the purchase of Residential Property, a Re-financing Facility for the purchase of Residential Property, a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property.

For the avoidance of doubt, a vehicle set up by any Individual for the purchase of Residential Property does not need to have made a purchase of any Residential Property.

[MAS Notice 115 (Amendment) 2017]

(x) "Vendor's Loan" means a loan granted by the vendor of a Residential Property;

- (y) a reference to credit facilities granted for the purchase of Residential Property includes credit facilities granted for payment of stamp or legal fees incurred in connection with the purchase of Residential Property;
- (z) a reference to "credit facility for the purchase of Residential Property" and "Re-financing Facility for the purchase of Residential Property" does not require such credit facility or Re-financing Facility, as the case may be, to be secured by that Residential Property;

(aa) a reference to purchase of Residential Property includes –

- (i) purchase of a part share in Residential Property and -

(A) except where sub-paragraph (aa)(ii) applies, for the purpose of applying paragraph 2 to such a transaction, the terms "Adjusted Purchase Price", "purchase price" and "current market valuation" in the definition of "Relevant Amount" in sub-paragraph (t) shall be construed to refer to the Adjusted Purchase Price, purchase price and current market valuation, as the case may be, of that part share; or

(B) where the credit facility is granted by a direct insurer to an existing part owner of a Residential Property to enable him to purchase another part share in that Residential Property, "Relevant Amount" referred to in paragraph 2 shall instead be the higher of -

(1) the amount that would have been the Relevant Amount if sub-paragraph (aa)(i) were applied, and

(2) an amount which, when aggregated with the amount of outstanding credit facilities and outstanding Vendor's Loans used for the purchase of the existing part share, would not exceed an amount that would have been the Relevant Amount if the terms "Adjusted Purchase Price", "purchase price" and "current market valuation" in the definition of "Relevant Amount" in sub-paragraph (t) were construed to refer to the Adjusted Purchase Price, purchase price and current market valuation, as the case may be, of the entire share of the Residential Property owned by him after the purchase³; and

- (ii) indirect purchase of a Residential Property.

For the avoidance of doubt, an indirect purchase of a Residential Property includes the purchase of a vehicle set up for the purchase of Residential Property but does not include the purchase of any unit in a collective investment scheme as defined in section 2(1) of the Securities and Futures Act (Cap. 289) or any unit or derivative

³ For example, a Borrower owns a half share in a Residential Property, which is subject to a mortgage for an outstanding credit facility for its purchase of \$350,000 and a CPF charge of \$100,000. He purchases the other half share at the market price of \$500,000. Assuming that the current market value of the whole Residential Property is \$1,000,000 (i.e. \$500,000 x 2), a new buyer (who does not have any outstanding credit facility for the purchase of another Residential Property) would be able to obtain a credit facility for the purchase of this Residential Property at the lower of \$800,000 (80% of \$1,000,000) or \$850,000 ((100%-5%) x \$1,000,000 - \$100,000 of CPF monies). Therefore, the maximum outstanding credit facility that the Borrower may have for his purchase of the other half share is \$800,000. The Borrower is able to obtain a credit facility for \$450,000 (i.e. \$800,000 - \$350,000) in respect of the other half share.

of units in a business trust as defined in section 2 of the Business Trusts Act (Cap. 31A), or any share in a Property Developer.

[MAS Notice 115 (Amendment) 2017]

- (ab) a reference to credit facilities otherwise secured by Residential Property does not include credit facilities -
 - (i) solely for the purchase of Residential Property; or
 - (ii) secured by a charge in favour of the CPF Board;
- (ac) where a credit facility is granted to joint Borrowers, a reference to "Borrower" shall be read accordingly to refer to the joint Borrowers, except that in paragraphs 2(d) and (e), 6, 7, 8(a), 9, 25, 27, 28, sub-paragraph (a), and the tables under sub-paragraph (t), such a reference shall be read to also refer to each Borrower⁴;
- (ad) where a credit facility is granted to joint Borrowers one of whom is not an Individual, the credit facility shall be considered to be granted to a Borrower which is not an Individual; and
- (ae) the expressions used shall, except where expressly defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

Transitional Provisions

Interest-only Loans

- 31. Paragraph 3 shall not apply to any credit facility where the option to purchase the Residential Property was granted, or where no option to purchase was granted, the sale and purchase agreement for the Residential Property was entered into, before 14 September 2009.
- 32. In respect of a credit facility referred to in paragraph 31, the following shall not apply:
 - (a) the prohibition under paragraph 4;
 - (b) the requirement for a direct insurer to obtain a written declaration from the Borrower regarding the payment of interest under paragraph 6(c); and
 - (c) the requirement to deduct interest when computing the "Adjusted Purchase Price" as provided for under paragraph 30(a)(ii).

⁴ In the case of the tables under sub-paragraph (t), in determining whether the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years, or exceeds 65 years, as the case may be, for a joint application where there are two or more Borrowers, a direct insurer shall use the weighted average of the ages of the Borrowers, which shall be weighted based on the gross monthly income (as determined in accordance with MAS Notice 128 on Computation of Total Debt Servicing Ratio for Property Loans) of the Borrowers. For example, in a joint application where there are two Borrowers:

Borrower A, 25 years old with gross monthly income of \$2,500, and Borrower B, 55 years old with gross monthly income of \$5,000, the weighted average of the age of the Borrowers is:

$$\begin{aligned} & [25 \times 2,500 / (2,500 + 5,000)] + [55 \times 5,000 / (2,500 + 5,000)] \\ & = 8.3 + 36.7 \\ & = 45 \text{ years old} \end{aligned}$$

Interest Absorption Schemes

33. Paragraph 4 shall not apply to any credit facility where before 14 September 2009 –
- (a) the vendor of the Residential Property, its agent, nominee or any other person by arrangement with the vendor has entered into an agreement with the direct insurer in relation to an interest absorption scheme under which the vendor of the Residential Property, its agent, nominee or any other person by arrangement with the vendor has agreed to pay any of the interest payable in respect of the credit facility by the Borrower; and
 - (b) the vendor of the Residential Property or its agent has invited any person including any person associated in any manner with the vendor, any person selected by the vendor or its agent, or any member of the public, to purchase the property.
34. In respect of a credit facility referred to in paragraph 33, the following shall not apply:
- (a) the prohibition under paragraph 3;
 - (b) the requirement for a direct insurer to obtain a written declaration from the Borrower regarding the payment of interest under paragraph 6(c); and
 - (c) the requirement to deduct interest when computing the “Adjusted Purchase Price” as provided for under paragraph 30(a)(ii).

Re-financing Facilities for the Purchase of Residential Property

35. Paragraph 3 shall not apply in respect of the grant of any Re-financing Facility for the purchase of Residential Property the agreement in respect of which was entered into before 14 September 2009.

Effective Date

36. This Notice shall take effect on 28 August 2013.

Guidance Notes:

Direct insurers should note that where credit facilities secured on Residential Property exceed the value of the security, they are to that extent treated as unsecured, and are subject to the Authority's Notice on Unsecured Credit Facilities to Individuals.

* Notes on History of Amendments

1. MAS Notice 115 (Amendment) 2014 with effect from 10 February 2014.
2. MAS Notice 115 (Amendment) 2017 with effect from 11 March 2017.
3. MAS Notice 115 (Amendment 2) 2017 with effect from 12 December 2017.
4. MAS Notice 115 (Amendment) 2018 with effect from 6 July 2018.
5. MAS Notice 115 (Amendment) 2020 with effect from 18 February 2020.