

**BANKING ACT  
(CHAPTER 19)**

**BANKING (CREDIT CARD AND CHARGE CARD) (AMENDMENT)  
REGULATIONS 2004**

In exercise of the powers conferred by section 78(2) of the Banking Act, the Monetary Authority of Singapore hereby makes the following Regulations:

**Citation and commencement**

**1.** These Regulations may be cited as the Banking (Credit Card and Charge Card) (Amendment) Regulations 2004 and shall come into operation on 15th April 2004.

**Amendment of regulation 2**

**2.** Regulation 2 of the Banking (Credit Card and Charge Card) Regulations 2004 (G.N. No. S 27/2004) (referred to in these Regulations as the principal Regulations) is amended -

(a) by deleting the full-stop at the end of the definition of "principal cardholder" and substituting a semicolon, and by inserting immediately thereafter the following definition:

" "secure", in relation to a credit limit of a credit card or charge card, means secure by one or more deposits in the name of the cardholder and includes the setting aside of the whole or part of any deposit of a cardholder placed with the card issuer, together with a contractual set-off agreement, where the deposit or such part of the deposit which has been set aside cannot be withdrawn by the cardholder unless and until the amount charged to or outstanding on the card is fully paid up."; and

(b) by renumbering the regulation as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

"(2) For the purposes of these Regulations -

(a) a credit limit of a card is secured if the amount charged to or outstanding on the card, including any amount charged to or outstanding on any supplementary card issued in respect of the card, is secured; and

(b) a credit limit of a card is unsecured if the amount charged to or outstanding on the card, including any amount charged to or outstanding on any supplementary card issued in respect of the card, is not secured.".

#### **Deletion and substitution of regulation 4**

**3.** Regulation 4 of the principal Regulations is deleted and the following regulation substituted therefor:

#### **"Minimum requirements for issuance of credit cards and charge cards**

4.-(1) Subject to this regulation, a card issuer shall not issue a card with an unsecured credit limit to an individual who is a citizen of Singapore or a permanent resident unless -

(a) in the case of an individual 55 years of age or below, he has an annual income of at least \$30,000; or

(b) in the case of an individual above 55 years of age, he has an annual income of at least \$15,000,

at the time of application for the card.

(2) Where a card issuer issues a card with an unsecured credit limit to an individual who is already the holder of a card with an unsecured credit limit (not being a supplementary card) issued by the card issuer, paragraph (1) shall not apply to the issue of the first-mentioned card.

(3) A card issuer may issue a corporate card or business card with an unsecured credit limit for a period specified by the card issuer to an individual who is a citizen of Singapore or a permanent resident whose annual income does not fulfil the requirement specified in paragraph (1)(a) or (b), as the case may be, at the time of application for the card if -

(a) the individual is to travel or to be posted to a foreign country for the purposes of the business of the corporation, partnership or sole proprietorship concerned; and

(b) the card is required for the purchase of goods or services for or in connection with such travel, posting or business.

(4) In determining the period referred to in paragraph (3), a card issuer shall have regard to what would be a reasonable period for which use of the card is required for the purposes referred to in that paragraph.

(5) A card issuer shall not issue a card with a secured credit limit to an

individual who is a citizen of Singapore or a permanent resident unless the individual has, in his name, one or more deposits amounting in the aggregate to not less than \$10,000 with any bank which the individual may use to secure the credit limit of the card.

(6) A card issuer shall ensure that every individual to whom it has issued a card with a secured credit limit has, in his name, at all times during the period which the individual holds the card, one or more deposits amounting in the aggregate to not less than \$10,000 with any bank which the individual may use to secure the credit limit of the card.

(7) Any card issuer which contravenes paragraph (1), (5) or (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

(8) Where a card issuer is charged with an offence under paragraph (7) for a contravention of paragraph (1), it shall be a defence for the issuer to prove that -

(a) the issuer has taken all reasonable steps to verify that the annual income of the individual fulfilled the requirement specified in paragraph (1)(a) or (b), as the case may be, at the time of application for the card with an unsecured credit limit; or

(b) the issuer has taken all reasonable steps to verify the existence of the circumstances specified in paragraph (3)(a) and (b).

(9) In this regulation, any reference to the issue of a credit card or charge card shall not be construed as including the sending or giving of a credit card or charge card under the circumstances set out in regulation 7(2).

(10) This regulation shall not apply to the issue of a supplementary card if the card issuer complies with this regulation in respect of the principal cardholder."

## **Amendment of regulation 6**

**4.** Regulation 6(6) of the principal Regulations is amended by deleting the definition of "maximum credit limit" and substituting the following definition:

" "maximum credit limit", in relation to a cardholder, means an amount not exceeding -

(a) in a case where the cardholder only holds a card with an unsecured credit limit, 2 months' income of the cardholder;

(b) in a case where the cardholder only holds a card with a secured credit limit, the amount of the deposit or deposits of the cardholder which secures the credit limit of the card; or

(c) in a case where the cardholder holds -

(i) both a card with a secured credit limit and a card with an unsecured credit limit issued by the same card issuer; or

(ii) a card with both a secured credit limit and an unsecured credit limit, the higher of the following amounts:

(A) 2 months' income of the cardholder; and

(B) the amount of the deposit or deposits of the cardholder which secures the credit limit of the card with a secured credit limit referred to in paragraph (i), or the secured credit limit of the card referred to in subparagraph (ii) (as the case may be)."

### **Amendment of regulation 7**

**5.** Regulation 7 of the principal Regulations is amended by deleting paragraphs (3), (4) and (5) and substituting the following paragraph:

"(3) Any card issuer which contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction."

Made this 14th day of April 2004.

KOH YONG GUAN  
Managing Director,  
Monetary Authority of Singapore.

[SPD 021/2000, AG/LEG/SL/19/2003/1 Vol. 2]