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Amended Moneylenders Act expected to take effect next month

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PETALING JAYA, Sun. - Loan sharks, take note! Your days are numbered with amendments to the Moneylenders Act 1951 expected to come into effect next month.

Housing and Local Government Minister Datuk Seri Ong Ka Ting said the amendments, passed by Parliament in April, were in the final stages of being gazetted.

"I am confident it will be completed before Nov 1," he said after presenting environmental awards to Bright Roving Annoying Teens at Menara Star.

He said this when asked to comment on the status of the amended Act.

One of the features of the amended Act is that money-lending licences, now issued by State Governments and Kuala Lumpur City Hall, would come under the jurisdiction of the ministry.

The ministry would be empowered to screen applications to operate money-lending businesses and thereby curbing the activities of illegal moneylenders.

The Act states that interest on loans given with collateral should not exceed 12 per cent per annum while those without collateral should not exceed 18 per cent.

The permissible daily interest rate has been fixed at eight per cent per annum, to be calculated on the outstanding balance to be repaid.

The Act also prohibits the issuance of licences to individuals or companies convicted of criminal or breach-of-trust offences, directors, managers and companies declared bankrupt or being wound up and applicants or companies that have had their licences revoked.

This is to ensure that companies or individuals involved in moneylending are reputable and free of criminal records.

Illegal moneylenders risk being fined between RM20,000 and RM100,000 or five years' jail. Repeat offenders could be whipped.

The Act was also amended to make it compulsory for all loan agreements to be made on a prescribed form, to be determined by the Moneylending Registrar.

"The agreements have to be signed by all parties and stamped.

"This is to ensure uniformity and to protect the interests of all parties," Ong said.

Several groups had urged the Government to review the Act following cases of loan sharks harassing borrowers and charging high interest rates.

Some borrowers, especially businessmen, had committed suicide as they could no longer take the harassment.

In an unrelated matter, Ong said the Government would step up efforts to inculcate clean toilet culture among Malaysians.

"We are also working with the Education Ministry to raise such awareness among students.

"The National Toilet Cleanliness Committee led by my deputy (Datuk Peter Chin Fah Kui) is also working with local governments."

He said it was time for Malaysians to ensure public toilets were left clean for the next user, a habit adopted by the Japanese.

Ong said even Prime Minister Datuk Seri Dr Mahathir Mohamad highlighted the deplorable conditions of public toilets at one of the recent Cabinet meetings.

"Foreigners are enchanted with our beautiful tourist spots but not when

it comes to public toilets," he said.

Vandals also damaged such facilities.

Ong said interest groups should also assist the Government to make the public more civic-minded and protect public facilities.

He said the Government had no immediate plans to draw up a legislation to compel the people to reduce, reuse and recycle domestic waste.

"The domestic solid waste system nationwide is not in place.

"Any introduction to compel the people to do so is a long-term aim," he said.