
REGISTRAR'S CONDITIONS OF PAWNBROKER'S LICENCE

In addition to the requirements under the Pawnbrokers Act 2015 (“**PBA**”) and the Pawnbrokers Rules 2015 (“**PBR**”) for obtaining and holding a pawnbroker's licence, a licensee must comply with the following conditions of its licence specified under section 18(2)(a) of the PBA:

General

- 1 Every licensee shall seek prior approval from the Registry of Pawnbrokers for any change to its business name.
- 2 Every licensee is required to update the Registry of Pawnbrokers of any changes to its business contact details and cessation of service of any director or manager within 14 days from the date of such change.
- 3 All operations of the pawnbroking business shall be computerised.
- 4 Every licensee shall put in place reasonable measures to ensure that the security system in the pawnshop premises, including an alarm system and CCTV system, is in working condition at all times and is activated and armed after business hours.
- 5 Every licensee shall also participate in the Interbank GIRO System and other cashless modes of electronic receipts and payments as may be required by the Registrar.
- 6 Every licensee shall submit the returns required under section 24(1) of the PBA and rule 10(1) of the PBR to the Registrar in Microsoft Excel format, using the template which can be downloaded at <https://rop.mlaw.gov.sg/information-for-pawnbrokers/forms/>. The returns shall be submitted in the aforesaid format at the web address <https://eservices.mlaw.gov.sg/rop/>.

Audited Annual Financial Statement

- 7 Pursuant to section 25 of the PBA, every licensee shall within four months, or such longer period as may be allowed, after the close of the financial year as at 31 December, submit to the Registry of Pawnbrokers one copy of the statement of accounts of its pawnbroking business, for the preceding financial year, duly audited by a public accountant together with the auditor's certification that:
 - (a) the stock of pledges held by the licensee are accounted for; and
 - (b) the relevant returns/reports which have been submitted to the Registrar in compliance with section 24 of the PBA and rule 10 of the PBR were accurate.

Second-hand Goods Dealing Business

- 8.1 Every licensee shall obtain the Registrar's approval before it is allowed to conduct or before it permits any person to conduct a secondhand goods dealing business ("SD") within the pawnshop premises to dispose of pledges under the circumstances mentioned at Conditions 8.2 and 8.3.
- 8.2 Every licensee who wishes to confine its SD within the pawnshop premises to the sale of forfeited unredeemed pledges only, shall ensure that the following conditions are complied with:
- (a) That the inventory and transactions of the pawnbroking and SD are kept separate and do not interfere with each other;
 - (b) That there are separate counters for the pawnbroking and SD;
 - (c) That the security of the pledges is not compromised;
 - (d) That the licensee must not, whether directly or indirectly, extend any credit to a customer for the purpose of assisting the pawner to purchase any secondhand item; and
 - (e) That for every item in the SD inventory, records are kept and made available for inspection by the Registrar, as proof that the item was purchased at an auction or forfeited.
- 8.3 Every licensee who wishes its SD within the pawnshop premises to deal with the sale and purchase of second-hand items in general (i.e. not limited to the sale of forfeited items), shall ensure that the following conditions in addition to those set out in Condition 8.2 are complied with:
- (a) That the pawnbroking and SD are conducted by separate legal entities, with separate accounts;
 - (b) That there is clear signage distinguishing the SD and pawnbroking counters;
 - (c) That the SD's advertising and marketing materials do not mislead the public into thinking that it is providing a pawnbroking service;
 - (d) That if the SD and pawnbroking counters are next to each other, then there must be physical barriers (e.g. queue poles or partitions) separating the queuing areas for the two counters; and
 - (e) That all customers who sell items are issued a written notice, which clearly states that: "This transaction is a sale and not a pawn. This item is not redeemable." The licensee must also explain the contents of the notice to the customers in question prior to the sale.

New Jewellery Sales Business

- 9 Every licensee shall obtain the Registrar's approval before it is allowed to carry out the business of sale of new jewellery (including gold items) within the pawnshop premises. On the Registrar's approval, the licensee shall continually ensure that the following conditions are complied with:
- (a) That the pawnbroking and new jewellery ("NJ") sale business are conducted by separate legal entities, with separate accounts;
 - (b) That the inventory and transactions of the pawnbroking and NJ businesses are kept separate and do not interfere with each other;
 - (c) That the security of the pledges is not compromised;
 - (d) That the licensee must not, whether directly or indirectly, extend any credit to a customer for the purpose of assisting the pawner to purchase any new jewellery;
 - (e) That if there is also an SD within the same pawnshop premises:
 - (i) there must be prominent demarcation between the new jewellery and the second-hand items made available for sale. For example, new jewellery should be displayed on different showcases/shelves/trays from second-hand items, with necessary markings to inform customers of the difference; and
 - (ii) the inventory and accounts of the SD and NJ must be kept separate.

[Note: The businesses of NJ and SD can be conducted by the same legal entity, as long as that entity is separate and distinct from the pawnbroking entity.]

Anti-Money Laundering, Countering Financing of Terrorism and Countering Financing of Proliferation of Weapons of Mass Destruction Controls

- 10.1 Every licensee shall comply with the Terrorism (Suppression of Financing of Terrorism) Act 2002 ("**TSoFA**") and the regulations under the United Nations Act 2001 in the conduct of its business. To ensure compliance with the above legislation, every licensee shall have in place measures to prevent transacting with any person, in the conduct of its pawnbroking business, who is an individual and entity designated under the TsoFA and relevant United Nations Security Council Resolution (collectively known as "UN Sanctions Lists") unless lawfully authorised to do so. Every licensee should regularly seek reference and updates from the UN Sanctions Lists that are made available at the Monetary Authority of Singapore's ("**MAS**") website, which may be accessed directly or through the link found at the Registry of Pawnbrokers' website under the section "Anti-Money Laundering, Countering Financing of Terrorism and Countering Financing of Proliferation of Weapons of Mass Destruction Controls".

- 10.2 The Registrar, MAS or a law enforcement agency in Singapore may, whenever necessary, extend to licensees further lists of designated individuals and entities pursuant to the TsoFA, to which every licensee shall apply the same mitigating measures mentioned in Condition 10.1.
- 10.3 No licensee shall transact with individuals or entities mentioned in Conditions 10.1 and 10.2 unless lawfully authorised to do so. In the event that a transaction with a designated individual or entity is made without lawful authorisation, the licensee shall “freeze”, without delay, assets and funds collected from these individuals or entities, and seek further instructions from the Suspicious Transaction Reporting Office or Police.

Advertisement & Marketing

- 11 Every licensee who issues or publishes any advertisement or marketing material, including those through a third-party agent/vendor, regardless of its format (e.g. TV, print, audio, online):
- (a) shall state conspicuously in such materials, the trading name of the licensee as stated in its licence;
 - (b) shall not state in such materials, whether through text, graphics or any other format:
 - (i) any message to induce persons to pawn their valuables to gamble or pay off gambling debts;
 - (ii) any information which is false or misleading;
 - (iii) any other contact number except its own business land telephone line number(s), which has (have) been registered with a licensed telecommunications company.

Insurance Coverage

- 12 Pursuant to section 26 of the PBA, every licensee must maintain adequate and appropriate insurance against the damage, theft or loss of all pledges. Every licensee must maintain a valid insurance cover from 1 January to 31 December each year with the requisite insured amount calculated using the formula ($V / 12$), where —

V is the sum total of the month-end values of the stock of pledges held in the pawnshop over a 12-month period, ending on the month of June preceding the year of the insurance coverage being maintained*

(*Illustration: For the calculation of insurance cover for the year 2023, add up the month-end values of the stock of pledges from July 2021 to June 2022 and divide the total by 12 to get the average monthly value of stock of

pledges. This average value will be the requisite insurance cover amount for the year 2023.)

Fee Chargeable for Issuance of Pawn Ticket

- 13.1 A licensee shall display, on any website or mobile application the licensee uses to transact with any potential or actual pawner, a conspicuous notice stating, in English, the information on the maximum profit and the fees it can charge that is visible to potential or actual pawners before they enter into any transaction.
- 13.2 A licensee must make reasonable efforts to combine all goods intended for a single pledge into a single pawn ticket unless otherwise requested by the pawner. Multiple pawn tickets should only be issued at the pawner's request or where it is impractical for a single pawn ticket to be issued in respect of the pledged goods.

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REGISTRAR OF PAWNBROKERS
MINISTRY OF LAW
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