

## MONEYLENDERS AMENDMENT BILL

---

### EXPLANATORY NOTE

THIS Bill amends the Moneylenders Act 1908.

Under section 2 (d) of that Act certain persons are excluded from the definition of the term "moneylender" if they lend money at a rate of interest not exceeding 10 percent per annum. The amendment effected by *clause 2 (1)* of this Bill enlarges that exemption by substituting 15 percent for 10 percent in that section.

The amendment does not affect any loan or agreement made or security taken before the date on which the amendment comes into force. Nor does it affect any loan made or security taken after that date if made or taken pursuant to, or for the purposes of, an agreement entered into before that date.

Persons who are not moneylenders within the meaning of any provision of the principal Act but who, having made loans before the commencement of this Bill at a rate of interest not exceeding 10 percent per annum, have the right to increase the rate of interest will be able to increase the rate to one not exceeding 15 percent per annum without bringing themselves within the scope of the Act.

- (b) Any agreement or security made or taken before the commencement of this Act; and
- (c) Any agreement or security made or taken after the commencement of this Act in relation to money lent before the commencement of this Act; and 5
- (d) Money lent or any security taken after the commencement of this Act pursuant to, or for the purposes of, an agreement entered into before the commencement of this Act; and
- (e) Any account taken after the commencement of this Act in relation to money lent before the commencement of this Act,— 10  
as if this Act had not been passed.
- (3) Notwithstanding anything in subsection (2) of this section, any person— 15
- (a) Who made any loan before the commencement of this Act at a rate of interest not exceeding 10 percent per annum; and
- (b) Who was not at the time of the making of the loan a moneylender within the meaning of any provision 20 of the principal Act; and
- (c) Who has not become such a moneylender since that time and before the commencement of this Act; and
- (d) Who, while having the right to increase the rate of interest payable in respect of the loan, has not, 25 before the commencement of this Act, increased that rate above 10 percent per annum,—
- may from time to time increase that rate of interest to one not exceeding 15 percent per annum without thereby bringing himself or the loan or any agreement, security, or settlement 30 relating to the loan within the scope of the principal Act.