

For Information

**Information Note for the  
Legislative Council Panel on Financial Affairs**

**Implementation of New Measures to Tackle Money Lending-related Malpractices**

**Purpose**

This note informs Members of the implementation of new measures on 1 December 2016 to tackle money lending-related malpractices.

**Background**

2. In view of increasing public concerns about money lending-related malpractices, especially that deceptive tactics are being used by fraudsters who claim themselves to be financial intermediaries for money lending (“intermediaries”) to induce borrowers to engage them for arranging loans with money lenders and charge very high fees under different pretexts in the process, we briefed the Panel on Financial Affairs at the meeting on 11 April 2016 on the Government’s four-pronged approach to address the problem, viz. enhanced enforcement, enhanced public education and publicity, enhanced advisory services to the public, and more stringent licensing conditions on money lender licences (see CB(1)736/15-16(03)). On 5 August 2016, we issued an information note to the Panel updating Members that the first three measures have been implemented, that we have solicited the views of licensed money lenders on the details of the proposed additional licensing conditions and published the outcome of the engagement, and that we have been taking steps to implement the additional licensing conditions and have proposed to the Licensing Court that the new measures should take effect as from 1 December 2016 (See CB(1)1158/15-16(01)). The additional licensing conditions on money lenders seek to facilitate effective enforcement of the statutory ban on separate fee charging on borrowers by money lenders and their connected parties<sup>1</sup>, ensure better protection of privacy, enhance transparency and disclosure, and promote the message of prudent borrowing. A copy of the information note is attached at the **Annex A** to facilitate Members’ reference.

**Implementation of additional licensing conditions on money lender licences**

3. The Licensing Court has, after completing the due procedures in accordance with the Money Lenders Ordinance (Cap. 163) (“MLO”), imposed the additional licensing conditions on all money lender licences with the additional licensing conditions to take effect on 1 December 2016. The following highlights some of the new requirements on money lenders under the additional licensing conditions which will better protect the interests of borrowers –

- (a) where the borrower has entered into or signed any agreement with an intermediary

---

<sup>1</sup> Section 29(10) of the Money Lenders Ordinance (Cap. 163) (“MLO”) prohibits the charging of any fees on borrowers by money lenders, their employees, agents and persons acting for them and persons acting in collusion with them.

for or in relation to his application for a loan from a money lender, the money lender may grant the loan only if, inter alia, -

- i. it has already appointed the intermediary and such appointment has been reported to the Registrar of Money Lenders (“the Registrar”) and included in the Register of Money Lenders for public inspection;
- ii. the intermediary has not charged any fees on the borrower or required the borrower to pay any fees to any person (whether alleged to be for the purchase of any goods or services or not); and
- iii. it has obtained a copy of the intermediary agreement from the borrower.

Under these new requirements, a money lender must undertake due diligence checks before entering into a loan agreement and the relationship between the money lender and the intermediary concerned will be made public, which will help the public and law-abiding money lenders guard against fraudsters and facilitate effective enforcement of the statutory ban on separate fee charging on borrowers;

- (b) all money lenders must take appropriate steps to ensure that their appointed intermediaries would not charge any fees on the borrowers or require the borrowers to pay any person (whether alleged to be for the purchase of any goods or services or not), and they must establish and maintain a proper system so as to ensure that their appointed intermediaries are informed of the relevant provisions of the MLO and the relevant requirements under the money lender licences in respect of the conduct of money lending business involving intermediaries - this new requirement will help guard against collusion between unscrupulous intermediaries and money lenders and facilitate the evidence gathering efforts of the Police in their investigation of an alleged offence;
- (c) a money lender must not accept a subsidized flat provided by the Hong Kong Housing Authority (“HA”) as collateral unless the borrower has produced either a written confirmation from the HA that the necessary premium for removing the restrictions on alienation on the said flat has been fully paid, or the written approval of the Director of Housing to mortgage or charge the said flat – this new requirement will prevent breaches of the relevant provisions of the Housing Ordinance (Cap.283) in respect of the use or acceptance of a subsidized flat provided by the HA as collateral;
- (d) all money lenders must keep written or video or audio record which shows that they have explained to the borrower all the terms and conditions of the loan agreement before entering into such agreement;
- (e) all money lenders must take appropriate safeguard measures before obtaining or collecting any personal data of borrowers from another party or using such personal data for the purposes of their money lending business – this new requirement will help guard against unlawful disclosure or use of personal data of borrowers; and
- (f) all advertisements of a money lender in relation to its money lending business,

whether in textual or audio or visual form, must contain the following risk warning statement which must be prominent and easily legible in the written or visual part of the advertisement as well as clearly audible in the audio part of the advertisement - “Warning: You have to repay your loans. Don’t pay any intermediaries.”.

4. To facilitate compliance by money lenders, the Registrar has met with relevant associations of money lenders to discuss the details of the new requirements and issued guidelines on the operation of the additional licensing conditions for their reference. A telephone hotline has also been set up for answering any enquiries from money lenders. The Guidelines have been uploaded onto the website of the Companies Registry<sup>2</sup>.

### **Gentle reminders to borrowers seeking a loan from money lenders**

5. Upon implementation of the above-mentioned new measures on 1 December 2016, a money lender will not be able to grant a loan involving an intermediary to a borrower unless it has complied with the relevant additional licensing conditions. To recapitulate, a money lender will not be permitted to grant the loan if (i) the intermediary engaged by the borrower is not one it has appointed and so included in the Register of Money Lenders, (ii) the intermediary involved charges any fees on the borrower or requires the borrower to pay any person (whether for the purchase of any goods or services or not); or (iii) the borrower cannot provide a copy of the intermediary agreement. Members of the public who intend to seek a loan from a money lender are reminded to take appropriate precautionary steps to better protect their own interests, including –

- (a) consider carefully their ability to repay before applying for a loan;
- (b) consider carefully if there is a genuine need to engage an intermediary instead of making the loan application to a money lender direct;
- (c) if it is considered necessary to engage an intermediary, before entering into or signing any agreement with the intermediary -
  - i. make sure that the intermediary is able to disclose which money lender(s) will be approached for assisting the borrower to applying for a loan; and
  - ii. check the Register of Money Lenders (e.g. by visiting the website [www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr)) to verify the identity and check whether the intermediary has been appointed by the money lender(s) concerned;
- (d) do not sign any agreement with any person who is not registered as having been appointed by the money lender concerned (whether such agreement is framed as intermediary agreement, consultancy agreement or loan application referral agreement, etc.);
- (e) if a person claims to be an appointed intermediary of a money lender but is not registered as having been appointed by the money lender concerned, stop

---

<sup>2</sup> [http://www.cr.gov.hk/en/publications/docs/Additional\\_Conditions\\_ML-e.pdf](http://www.cr.gov.hk/en/publications/docs/Additional_Conditions_ML-e.pdf)

- dealing with that person immediately and report to the Police;
- (f) before signing an agreement with an intermediary -
    - i. check and make sure that the name of intermediary stated on the agreement is the same as the one they are engaging; and is registered on the Register of Money Lenders as having been appointed by the money lender concerned. If they have any doubt, they should check with the money lender direct. The enquiry hotlines of money lenders are shown on the Register of Money Lenders which can be accessed through the website [www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr);
    - ii. check the terms and conditions of the intermediary agreement carefully, and especially do not sign the agreement if it contains any requirement for the borrower to pay any fees or hand over any money to the intermediary or any other party. To avoid potential disputes after the agreement has been signed, if the agreement does contain an entry for fee, make sure that it expressly records that 'zero' fee will be charged instead of leaving the entry blank; and
    - iii. obtain confirmation from the intermediary that a copy of the intermediary agreement will be provided after signing;
  - (g) generally speaking, the intermediary will only ask the borrower to sign one intermediary agreement. If the borrower is asked to sign more than one agreement, he should stay alert and especially check carefully to ensure that there are no fee-charging provisions in all these agreements;
  - (h) make sure that the content of the copy of intermediary agreement provided by the intermediary is the same as the one they have signed;
  - (i) before signing a loan agreement with a money lender -
    - i. report the identity of the intermediary involved to the money lender and provide a copy of the intermediary agreement to the money lender for attachment to the loan agreement;
    - ii. check the loan agreement carefully to ensure that it has accurately recorded the details of the intermediary; and
    - iii. check the terms and conditions of the loan agreement carefully and make sure that they understand the details before signing it;
  - (j) cooperate with the money lender when it makes written or video or audio record of its explanation of the terms and conditions to the borrower as required under the additional licensing conditions;
  - (k) where it is necessary to use a subsidized flat as collateral for the loan, make sure that a written confirmation from the HA that the necessary premium for removing the restrictions on alienation on the said flat has been fully paid or the written approval of the Director of Housing to mortgage or charge the said flat has been obtained; and
  - (l) for those borrowers who are required to provide title deeds of their property in



connection with their loan applications -

- i. they should understand how the title deeds will be handled;
- ii. they should consider carefully if there is a genuine need to mortgage or re-mortgage their properties before signing any agreement;
- iii. they should also understand the possible consequences of any default in loan repayment, including the taking into possession and sale of any property charged; and
- iv. they should not hand over any money or part of the loan obtained to the intermediary or any other party designated by the intermediary (whether it is claimed to be used as guarantee money or improvement of credit record).

### **Publicity campaign**

6. We have launched a publicity campaign to raise public awareness of the new measures and remind borrowers of the points-to-note when engaging an intermediary for seeking a loan from a money lending.

7. The key elements of the campaign include -

- (a) distribution of a new information pamphlet and a new poster (**Annex B**) - Since end November 2016, copies of the new pamphlet and new poster have been distributed through the Home Affairs Enquiry Centres of the Home Affairs Department, money lenders, banks, Owners' corporations, Government buildings, and offices of members of the District Councils and the Legislative Council respectively;
- (b) broadcasting of a new Announcement of Public Interest ("API") on TV and radios - A new 30-second API will be broadcast on televisions and radios from January 2017 for six months. The video version of the API will also be displayed on franchised buses and television installed at the lift lobbies of public housing estates under the management of the HA;
- (c) insertion of a publicity leaflet in water bills and printing of a risk warning message on envelopes of Rates and Valuation Department ("RVD") - Publicity leaflets will be inserted into water bills for the billing cycle for the period between June and September 2017, and a risk warning message will be printed on the envelopes of RVD's bills for the quarter beginning in April 2017; and
- (d) display of roadside banners and mega sticker - Roadside banners will be displayed at specified locations in all 18 districts from January 2017 to mid-2017, and a mega sticker will be installed outside the Queensway Government Offices in Q3 2017.

8. At the same time, the Police will continue publicising the relevant crime prevention messages through its integrated scam prevention platform "Fight Scams

Together”, online channels like Facebook as well as publicity activities at district level, etc.

9. On the other hand, the Hong Kong Monetary Authority has launched a public education campaign since October 2016 to advocate “responsible borrowing”, and we will continue with our collaboration with other organisations to spread the publicity messages, including the Investor Education Centre’s initiative in November 2016 to arrange the Financial Education Truck to tour around different districts in Hong Kong to promote the message of proper debt management and prudent borrowing. We are also working with the Consumer Council to launch a public education campaign in early 2017 on responsible borrowing targeting young people and publish relevant information in the *Choice* magazine.

### **Next Steps**

10. We will review the effectiveness of the new measures after six months of their implementation (ie. in mid-2017) and will consider if there is a need to introduce any additional improvement measures in light of the review results.

**Financial Services and the Treasury Bureau**  
**Companies Registry**  
**30 November 2016**

**Regulatory and related arrangements to tackle malpractices  
by financial intermediaries for money lending**

**Purpose**

This information note updates Members on the latest developments relating to our proposal to introduce more stringent licensing conditions on money lender licences to tackle malpractices of financial intermediaries for money lending (“intermediaries”).

**Background**

2. At the meeting held on 11 April 2016, we briefed the Panel on Financial Affairs on the Government’s proposed four-pronged approach to address public concern about malpractices of intermediaries, viz. enhanced enforcement, enhanced public education and publicity, enhanced advisory services to the public, and more stringent regulatory measures. Measures to enhance enforcement, public education and publicity, and advisory services to the public have been implemented.

**Latest Developments**

3. The Registrar of Money Lenders (“the Registrar”) wrote to all licensed money lenders on 11 April 2016 setting out the details of the proposed additional licensing conditions and inviting them to submit written comments by 16 May 2016. By the end of this period, 13 written submissions from associations of money lenders and individual licensees were received. The Registrar and representatives of FSTB have also conducted meetings with relevant associations and groups of money lenders to discuss the matter.

4. We have duly considered all written submissions and views expressed. Some refinements or modifications have been made to the proposed additional licensing conditions to enhance clarity and to address the concerns raised by respondents. We have published the outcome of the engagement, the details of which are set out in the Annex.

**Next Steps for Implementation**

5. Taking into account all relevant factors, and allowing reasonable time for money lenders to make necessary preparation for implementation, we have proposed to the Licensing Court that the additional licensing conditions should take effect as from 1

December 2016. We will make further public announcement before implementation of any such new arrangements.

**Financial Services and the Treasury Bureau  
Companies Registry  
5 August 2016**

**Planned Introduction of More Stringent Licensing Conditions on Money Lenders  
to Tackle Money Lending-Related Malpractices - Next Steps**

**Purpose**

This note sets out the outcome of our engagement with licensed money lenders on the proposal to introduce more stringent licensing conditions on money lenders and the steps being taken to implement the proposal.

**Background - Need for more stringent regulatory measures**

2. In recent years, there have been increasing public concerns that deceptive tactics are being used by fraudsters who claim themselves to be financial intermediaries for money lending (“intermediaries”) to induce intending borrowers to engage them for arranging loans with money lenders and charge very high fees under different pretexts in the process. Many unscrupulous intermediaries have resorted to different means to conceal their relationship with related money lenders so as to circumvent the statutory ban on separate fee charging under the Money Lenders Ordinance (“MLO”), which applies not only to money lenders but also their connected parties (e.g. their employees, agents, and persons acting for them) as well as any person who acts in collusion with a money lender. And in some cases, the fraudsters who misrepresented themselves as being able to assist intending borrowers to secure loans from money lenders subject to a fee under different pretexts simply absconded after receiving the fee.

3. In April 2016, the Financial Services and the Treasury Bureau (“FSTB”) announced that a four-pronged approach would be adopted to tackle the money lending-related malpractices, viz. enhanced enforcement, enhanced public education and publicity, enhanced advisory services to the public, and introduction of more stringent conditions on money lender licences. Measures to enhance enforcement, public education and publicity, and advisory services to the public have been implemented.

**Engagement with licensed money lenders**

4. The proposal to impose additional licensing conditions on all money lenders seeks to facilitate effective enforcement of the statutory ban on separate fee charging by money

lenders and their connected parties, ensure better protection of privacy, enhance transparency and disclosure, and promote the message of prudent borrowing. We wrote to all licensed money lenders on 11 April 2016 setting out the details of the proposed additional licensing conditions and inviting them to submit written comments by 16 May 2016. By the end of this period, we received 13 written submissions from associations of money lenders and individual licensees. We have also conducted meetings with relevant associations and groups of money lenders, which were also attended by representatives of FSTB and the Registrar of Money Lenders, to discuss the matter.

5. Overall, the respondents shared the view that the Government should introduce appropriate measures as soon as possible to tackle the money lending-related malpractices. In particular, a number of respondents indicated express support to many of the proposed additional licensing conditions. On the other hand, some have raised questions or other views on certain elements of the proposal.

6. We have duly considered all written submissions and views expressed. Some refinements or modifications have been made to the proposed additional licensing conditions to enhance clarity and to address the concerns raised by respondents. A summary of the more commonly raised questions and the Government's responses are given at the [Appendix](#). We have issued a written reply to all respondents.

### **Next steps for implementation**

7. In order to tackle the money lending-related malpractices and in view of increasing public concern, it is important that the proposed additional licensing conditions should be implemented as soon as possible. Taking into account all relevant factors, and allowing reasonable time for money lenders to make necessary preparation for implementation, we have proposed to the Licensing Court that the additional licensing conditions should take effect as from 1 December 2016. We will make further public announcement before implementation of any such new arrangements.

**Money Lenders Unit**  
**Companies Registry**  
**5 August 2016**

**Commonly raised questions by respondents and the Government's responses**

The following is a summary of the more commonly raised questions and the responses of the Government, which also highlights the refinements or modifications made to the proposed additional licensing conditions.

- 1. Whether it would be more appropriate or effective to introduce a separate licensing regime to regulate the intermediaries instead, as money lenders and intermediaries are independent entities.*

One of the key problems we are seeking to tackle is separate fee charging by intermediaries on borrowers. In this regard, the statutory prohibition under the Money Lenders Ordinance (“MLO”) applies not only to money lenders but also their connected parties (e.g. their employees, agents, and persons acting for them), as well as any person who acts in collusion with a money lender. Therefore we should not consider money lenders and intermediaries separately in enforcing the ban on separate fee charging, in particular given the public concern that there are unscrupulous intermediaries who have connection with money lenders but both parties have resorted to different means to conceal their relationship so as to circumvent the prohibition.

In gist, under the proposed additional licensing conditions, a money lender must ask the intending borrower whether he has entered into or signed any agreement with any third party for or in relation to the procuring, negotiation, obtaining or application of the loan or guaranteeing or securing the repayment of the said loan. If so, the money lender may grant the loan only if, inter alia, the third party is a person appointed by the money lender in relation to granting of loans and the appointed intermediary's particulars have been provided to the Registrar of Money Lenders (“the Registrar”) and included in the relevant public register open to public inspection. The money lender should also obtain a copy of the intermediary agreement from the intending borrower and attach it to the loan agreement. A money lender must not grant any loan to an intending borrower if he has knowledge or has reasonable ground to believe that the appointed intermediary involved has charged or will charge the intending borrower any fees. This new arrangement

will facilitate intending borrowers to identify unscrupulous intermediaries.

The proposal to introduce additional licensing conditions on all money lenders, combined with parallel actions to enhance enforcement, enhance public education and publicity as well as advisory services to the public, is a more appropriate approach to tackle the problem of money lending-related malpractices under the existing circumstances. It is expected to produce more direct and expeditious results in tackling the problem. In comparison, introduction of a licensing regime to regulate intermediaries would require substantive legislative changes or introduction of new legislation and it would take considerable time to complete the due public consultation and legislative processes. Besides, a new licensing regime for intermediaries would involve much wider and more complex issues which go beyond the most pressing issue of charging exorbitant fees on borrowers.

We note that there are general concerns that unscrupulous intermediaries will adopt new tactics to circumvent the new requirements. We are aware of cases involving unscrupulous intermediaries who misled borrowers into depositing a substantial part of the loan obtained from money lenders with them for custody (e.g. allegedly as proof of the borrowers' cash flow for improving the borrower's credit record, with the hope of securing a loan at lower interest rate from a bank later), or obliged the borrowers to pay a certain portion of the loan amount obtained to them or their connected parties under different pretexts (e.g. under the pretext of investment fund or for the purchase of other goods or services). To ensure effectiveness of the new requirements, we will elaborate on the wording of the relevant additional licensing conditions to make it clear that the reference to fees covers any charge, reward or consideration, however named, to the appointed intermediary or to any other party as agreed between the appointed intermediary and the borrower, whether for the purchase of any goods or services or not.

2. *Clarifications are sought on who would be required to be appointed by money lenders and registered on the relevant public register e.g. whether sales agents of money lenders and customer referral from friends and relatives will be caught, and whether the same would apply to solicitors who provide legal services to the borrowers.*

We note that all past cases involved the fraudster requiring the borrower to sign an agreement with him, and we are aware that sometimes fraudsters may not present themselves as intermediaries but rather as professional service providers instead to



win over the trust of intending borrowers. Therefore in the detailed wording of the additional licensing conditions, we have not used the term “intermediary” but rather referred to the person as a “third party” with whom the intending borrower has entered into or signed any agreement for or in relation to the procuring, negotiation, obtaining or application of the loan or guaranteeing or securing the repayment of the said loan. A determining factor for considering whether a person is to be considered a “third party”, in which case he must be one appointed by a money lender and registered as such in the public register before the money lender concerned can take up and conclude any loan application from an intending borrower referred by him, is whether the intending borrower has entered into or signed any agreement with him as aforesaid.

The employees and authorized sales agents of money lenders are already forbidden by the MLO from charging separate fees on intending borrowers. They will commit an offence if they charge the intending borrowers any separate fees. On the other hand, if all the agreements entered into or signed between them and the intending borrower for or in relation to the procuring, negotiation, obtaining or application of the loan or guaranteeing or securing the repayment of the loan with the money lender concerned are done in the name of their authorizing money lender concerned, the registration requirement will not apply to them.

As regards a person who is a friend or relative of an intending borrower and makes customer referral, that person will also not be considered a “third party” and subject to the registration requirement if he does not enter into or sign any agreement with the intending borrower in relation to the loan.

The introduction of the additional licensing conditions will not change the existing arrangement where a borrower may choose to obtain independent legal advice from a solicitor at his own cost to assist him in vetting the loan agreement document with a money lender. The relevant additional licensing conditions will make it clear that solicitors instructed by borrowers for the provision of legal services for the above-mentioned purpose will not be regarded as “third party”. There are already measures in place by The Law Society of Hong Kong to deal with unreasonable fee charging by solicitors for the provision of legal services. To protect himself before engaging a solicitor, a borrower should check “The Law List” kept by The Law Society of Hong Kong (available on its website) to ensure that the solicitor is holding a current practising certificate issued by The Law Society of Hong Kong.

On the other hand, noting that there have been cases where a solicitor also performed the role of an intermediary to the intending borrower, it should be pointed out that despite the clarification mentioned above in respect of the provision of legal services by a solicitor to an intending borrower, in case a solicitor is involved in the procuring, negotiation, obtaining or application of a loan from a money lender or guaranteeing or securing the repayment of that loan other than for the provision of legal services in relation to the loan e.g. vetting the loan agreement document, he must be appointed by the money lender concerned with his name and address appearing in the relevant public register before the money lender may conclude the relevant loan transaction with the intending borrower, and in such case the solicitor must not charge the borrower any fees for his intermediary service.

3. *Whether a money lender has to bear any responsibility if a borrower does not disclose the existence of an intermediary or if an appointed intermediary charges a borrower a fee despite there is an agreement between the money lender and the intermediary concerned stating clearly that the latter shall not charge the borrowers any fees.*

Under the proposed conditions, money lenders are required to, inter alia, ask the intending borrower to state whether or not he has entered into or signed any agreement with any third party for or in relation to the procuring, negotiation, obtaining or application of the loan, guaranteeing or securing the repayment of the loan. The money lender shall then state in writing the intending borrower's reply in the loan agreement. Money lenders are also required to, before entering into any agreement for loan, explain to the intending borrower all the terms of the agreement and keep written or video or audio records which show that they have complied with the requirements.

While there is no intention to make a money lender responsible for an act of an intending borrower outside of his control, it should be pointed out a money lender must not do any act to dissuade or deter an intending borrower from disclosing the existence of an intermediary.

As regards fee charging, money lenders should not knowingly allow or permit their appointed intermediaries to charge the borrowers any fees, and they should take appropriate steps to ensure compliance. In this regard, a money lender cannot simply adopt a passive stance without taking appropriate steps to ascertain compliance by his appointed intermediaries. For example, there is a requirement

on money lenders to establish and maintain proper systems and procedures to ensure that their appointed intermediaries shall be informed of and observe the licensing conditions and the provisions of the MLO. A money lender should, inter alia, ascertain from the intermediary agreement in relation to a loan whether the intermediary has included any fee charging provision in the intermediary agreement.

In order to facilitate compliance by money lenders and minimize the risk of abuse, the relevant additional conditions will stipulate that for each loan transaction that involves an intermediary, the money lender should obtain written confirmation from the intermediary concerned that the latter has not and will not charge the borrower any fee for or in relation to procuring, negotiation, obtaining or application of that loan or guaranteeing or securing the repayment of that loan.

4. *There were questions about the lead time required for registration of appointed intermediaries and including their relevant particulars in the public register, and whether it would be acceptable if a money lender completes a loan transaction referred by a new intermediary once he has notified the Registrar of the appointment of the intermediary concerned without waiting for the particulars of the intermediary to be included in the public register.*

The requirement for pre-registration of appointed intermediaries and inclusion of their particulars in the public register before a money lender may complete a relevant loan transaction is an integral part of the proposal to better protect the interests of borrowers.

With the objective of ensuring that the interests of borrowers are better protected without unduly affecting the operation of money lenders, the Registrar will adopt a working target to complete the necessary procedures in not more than two working days after the Registrar receives all the required information and particulars of the appointed intermediary provided by money lenders. In any case, the Registrar will strive to complete the process as soon as practicable.

5. *There were concerns that the proposed risk warning statement in advertisements may cause negative impact on the money lending industry and a suggestion was made to modify the risk warning statement to also cover the message of no separate fee*

*charging by intermediaries. Some respondents also suggested that to ensure a level playing field, banks who engage in similar money lending businesses should also be subject to similar requirement.*

One of the key considerations for the proposed risk warning statement is to remind the public of the importance of prudent borrowing at the time when they receive an advertising message from money lenders to encourage them to borrow. We do not agree that this will affect the image of the money lenders concerned or contain any negative connotation about the money lending sector. On the other hand, we agree that it would be appropriate to include the message of no separate fee charging by intermediaries. The content of the risk warning statement will be modified as follows -

“忠告：借錢梗要還，咪俾錢中介”

“Warning: You have to repay your loans. Don't pay any intermediaries.”

We have conveyed the respondents' comments as they relate to banks to the Hong Kong Monetary Authority, which indicated that it would take into account the final decision of the Licensing Court and implementation details for the relevant licensing condition in considering whether to introduce similar requirement on banks to include a risk warning statement in their relevant advertisements.

6. *There were suggestions that the risk warning statement can be waived or shown on the “landing page” directed from certain advertisements which are subject to pixel size and word count limitations, e.g. SMS and website banners.*

It is not appropriate to provide for a general waiver as this will undermine the effectiveness of the proposed measure. That said, regarding advertisements via mobile phones or the internet, we would like to clarify that where a SMS or website banner links to another advertising webpage (such as the landing page which is also part of the advertisement), it will be acceptable for the risk warning statement and complaint hotline to be shown on the landing page instead.

7. *There were suggestions for the risk warning statement to be displayed but not read out in an audio-visual advertisement, and that single language risk warning statement should be acceptable for monolingual advertisements. There were also views that the*

*requirement for money lenders to broadcast their complaint hotline in their advertisements should be relaxed.*

One of the key considerations for the proposed risk warning statement is to remind the public of the importance of prudent borrowing at the time when they receive an advertising message from money lenders to encourage them to borrow. Thus, it is important that the risk warning statement must be prominently and easily legible in the written or visual part of the advertisement, and also clearly audible in the audio part of the advertisement. It is not appropriate to remove the requirement for the risk warning statement to be covered in the audio part of an audio-visual advertisement because this will undermine the effectiveness of the risk warning statement.

Taking into account the respondents' comments, on the basis that all relevant advertisements will be required to contain a risk warning message prominently and easily legible in the written or visual part of the advertisement and clearly audible in the audio part of the advertisement, the relevant additional licensing conditions will be modified such that the broadcast of the risk warning statement may be in the same language as that used by the advertisement itself (i.e. use of a single language), and the complaint hotline would be required to be displayed (but not necessarily also read out) in the advertisements.

8. *There was suggestion that the authorities should provide sample forms and guidelines as appropriate to facilitate compliance.*

In response to the suggestion, the Registrar will provide sample form for reference of money lenders on disclosure of involvement of third parties by intending borrowers and will issue guidelines on relevant aspects of the additional licensing conditions before implementation to facilitate compliance of the new requirements by relevant parties.

**Money Lenders Unit  
Companies Registry**





# 提醒自己

## REMIND YOURSELF 向財務公司借錢時

**咪俾錢** 財務中介

*Don't pay financial intermediaries  
when you borrow from money lenders*

**咪幫襯** 未獲委任嘅財務中介  
上網核實佢嘅身份：

*Don't engage unappointed financial intermediaries  
Verify their identities:*

[www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr)

(由二零一六年十二月一日起生效 effective from 1 December, 2016)



財經事務及庫務局  
Financial Services and the Treasury Bureau

上述「財務公司」是指《放債人條例》(第163章)下的放債人



# 提醒自己

向財務公司申請貸款前，認清楚是否真的需要搵財務中介  
要考慮可能會墮入中介圈套的風險

## 借錢前認清楚 搵中介要謹慎

咪俾錢財務中介

咪幫襯未獲委任的財務中介

咪過錢財務中介手

⊗ 如果你的申請涉及以上財務中介，  
財務公司將不能向你批出任何貸款

香港特別行政區政府  
財經事務及庫務局

本小冊子所指的「財務公司」是  
《放債人條例》(第163章)下的放債人



# 咪俾錢財務中介

### 向財務公司借錢？

由二零一六年十二月一日開始，  
財務公司在批出任何貸款申請前，  
必須遵從額外牌照條件下的新規定，  
以加強保障借款人。

為減低受騙的風險，你可直接向財務公司  
或銀行貸款，而非透過財務中介幫你申請  
貸款。如你認為需要透過財務中介向財務  
公司進行貸款申請時，以下為保障你自身  
利益應該注意/予以配合的地方：

提醒自己：唔好幫襯以任何名目向你收費的財務中介  
例如行政費、手續費、顧問費

提醒自己：唔好有任何錢過財務中介手  
無論財務中介聲稱是代為保管、改善你的信貸記錄、或幫你購買貨品或服務或  
投資基金等

提醒自己：向你收取費用、訂金或保證金（或以其他任何名目要求你有錢經佢手）的人士，  
絕不可能替你成功向財務公司申請任何貸款

提醒自己：如任何財務中介向你收取費用、或要求你把錢交予他們或任何他們指定的人或  
公司，你應拒絕與他們進行任何交易或簽訂任何協議

\* 財務公司將不能向借款人批出貸款，如借款人使用的財務中介向借款人要求或收取  
任何費用，或要求借款人把款項交予他們或任何他們指明的人或公司保管或作任何  
其他用途（如聲稱作為保證金以改善你的還款/信貸記錄，或幫你購買貨品或服務或  
投資基金等）。

# 咪幫襯未獲委任的財務中介

提醒自己：唔好幫襯未獲財務公司委任的財務中介

應該先到放債人登記冊 ([www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr))，核實財務中介身份

提醒自己：未獲有關財務公司委任的財務中介，絕不可能替你成功向財務公司申請任何  
貸款

提醒自己：在與財務中介簽訂任何協議前，應先到放債人登記冊進行查冊  
([www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr))

查明該財務中介是否已受有關財務公司委任（如財務中介只獲財務公司甲  
委任，該財務中介將不能協助你成功向甲以外的其他財務公司申請貸款）。如  
有人聲稱是某財務公司委任的財務中介，但登記冊顯示該財務公司並沒有委任  
有關的財務中介，你應立即終止與有關財務中介的交易和應立即報警。

\* 在新規定下，如財務公司接受財務中介轉介貸款申請，該財務中介必須是已獲其委任，  
及有關資料已載列於放債人登記冊，否則財務公司將不能向借款人批出貸款。



借款人在向銀行申請貸款時應該注意：

提醒自己：銀行已停止接受財務中介轉介私人  
貸款、信用卡貸款、稅務貸款等個  
人消費金融產品或服務申請。

如有來電者自稱為銀行代表，即使對方指稱你  
在該銀行的貸款出現問題，又或者你對其所推  
銷的產品有興趣，你亦千萬不要即時相信對方  
真的是銀行代表。你應先致電有關銀行的熱線  
電話核實來電者的身份，有關的熱線電話號碼  
刊載於所有零售銀行的網站，以及金融管理局  
和銀行公會網站所設的專頁。緊記不要隨便透  
露任何敏感的個人資料，以保障自己的權益。

銀行熱線電話（香港銀行公會網頁）  
<https://www.hkab.org.hk/DisplayArticleAction.do?sid=5&ss=14>

# 咪忘記申報財務中介



提醒自己：必須向財務公司表明有透過財務中介進行有關貸款申請

如果你是透過財務中介申請貸款，無論在任何情況下，你都必須向財務公司表明  
是透過哪些財務中介作出有關申請，亦不要聽從財務公司或財務中介游說勸阻  
你提供有關資料，否則你必招損失。

提醒自己：與財務公司簽訂貸款協議前，再三核對協議是否已正確記錄有關財務中介的  
資料

提醒自己：拒絕向你提供中介協議副本的財務中介，絕不可能替你成功向財務公司申請  
任何貸款

\* 財務公司必須向借款人詢問及確定，借款人有否曾與任何財務中介簽訂任何協議，並把  
借款人的答覆記錄於貸款協議上。

提醒自己：必須向財務公司提供與財務中介簽訂的協議副本，否則財務公司將不能批出你  
的貸款申請

為保障自身利益，你必須親自提供有關副本而非透過財務中介或任何其他人提交。

\* 財務公司必須要求你親自提供你與財務中介簽訂的中介協議副本，並將有關副本夾附  
於貸款協議。

提醒自己：在簽訂貸款協議前，你應該確保自己已經清楚明白貸款協議的全部條款及條件  
你亦應該配合財務公司在解釋貸款協議內容期間或之後進行記錄。

\* 財務公司必須以書面或視像或錄音方式記錄其已向擬借人清楚解釋貸款協議的全部  
條款及條件。

☑ 借錢前，認清楚。提醒自己：考慮還款能力，量力而為。  
☑ 請在簽署任何文件前細閱文件內容，應保留文件副本作記錄。

詳細的額外牌照條件可參閱以下網址：

[http://www.cr.gov.hk/tc/publications/docs/Additional\\_Conditions-c.pdf](http://www.cr.gov.hk/tc/publications/docs/Additional_Conditions-c.pdf)

如市民遇到財務困難，可透過以下途徑，尋求免費的意見及協助：

### 1. 24小時熱線

熱線名稱	電話
明愛向晴軒「財困壓力」輔導熱線	3161 0102
東華三院財聆通——財務輔導熱線	2548 8411
社會福利署熱線	2343 2255

### 2. 債務及理財輔導服務

機構 / 中心名稱	電話	地址 / 網址
明愛向晴軒 危機專線及教育中心	3161 2929 (債務及理財輔導專線)	九龍界限街134號6樓 <a href="http://debt.caritas.org.hk">http://debt.caritas.org.hk</a>
東華三院 健康理財家庭輔導中心	2548 0803 (健康理財輔導專線)	灣仔駱克道194-200號 東新商業中心14樓1401室 <a href="http://fdcc.tungwahcsd.org">http://fdcc.tungwahcsd.org</a>

### 3. 一般輔導服務

市民亦可向社會福利署或非政府機構營辦的綜合家庭服務中心 / 綜合服務中心尋求協助。  
你可隨時致電社會福利署熱線2343 2255 (24小時熱線服務) 或瀏覽相關網頁  
(<http://www.swd.gov.hk/tc/index/>) 查詢有關中心的地址、電話及開放時間。

常見不良財務中介手法：

- I. 誘使你透過他們向財務公司借貸，  
(a) 從中以不同名目向借款人收取高昂費用；  
(b) 要求你提供保證金或擔保金，聲稱作為你的現金流證明。
- II. 假借專業服務提供者等名義，詭稱替你提供財務評估  
服務（例如債務重組、壓力測試或改善信貸記錄等）  
而收取費用、或以不同名目扣起你部分貸款（例如聲  
稱替你購買貨品或服務或投資基金）。
- III. 假冒政府部門或公營機構聯絡你，聲稱你的現有貸  
款或物業按揭有問題，要求你重組貸款或進行  
加按或轉按。

上網核實財務中介嘅身份：

[www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr)





# REMINDE YOURSELF

Before making a loan application to a money lender, consider carefully if there is a genuine need to engage a financial intermediary and the risks of falling prey to traps by financial intermediaries.

Think twice before borrowing  
Be vigilant in engaging any intermediary

Don't **Pay** financial intermediaries

Don't **Engage** unappointed financial intermediaries

Don't **Handover** any money to financial intermediaries

✘ A money lender is **NOT ALLOWED** to grant you any loan if a financial intermediary mentioned above is involved in your loan application



Don't **Pay** financial intermediaries

## Apply loan from a money lender?

Starting from 1 December 2016, money lenders are required to comply with the new requirements under the additional licensing conditions before granting approval to a loan application so as to enhance protection for borrowers.

You can reduce the risk of being deceived if you apply for loans directly from money lenders or banks instead of through financial intermediaries. If you consider it necessary to engage a financial intermediary for applying for a loan from a money lender, below are the points to note/actions to be taken to protect your own interests:

REMINDE YOURSELF: Don't engage a financial intermediary who charges you fees on whatever pretext such as administrative fee, handling charges or consultation fee.

REMINDE YOURSELF: Don't hand over any money to a financial intermediary whether it is alleged by the financial intermediary to be for custody, improving your credit record, helping you to purchase goods or services or make investment, etc.

REMINDE YOURSELF: You will not be granted any loan from a money lender if you make the loan application through a financial intermediary who charges you any fees, deposits or guarantee money (or asks you for money on whatever pretext).

REMINDE YOURSELF: You should refuse to deal with or sign any agreement with a financial intermediary who charges you any fees or asks you to hand over money to him/her or a person or company specified by him/her.

\* A money lender is not allowed to grant a loan to a borrower if the financial intermediary engaged by the borrower requires or charges any fees on the borrower, or asks the borrower to hand over money to him/her or a person or company required by him/her for custody or any other purposes (e.g. alleged to be a security for improving your repayment/credit record, purchase of goods or services, or fund investment).

Don't **Engage** unappointed financial intermediaries

REMINDE YOURSELF: Don't engage a financial intermediary who has not been appointed by a money lender, you should first check the Register of Money Lenders ([www.cr.gov.hk/mir](http://www.cr.gov.hk/mir)) to verify the identity of the financial intermediary.

REMINDE YOURSELF: You will not be granted any loan from a money lender if you make the loan application through a financial intermediary who has not been appointed by the money lender.

REMINDE YOURSELF: Before entering into an agreement with a financial intermediary, you should first conduct a search of the Register of Money Lenders ([www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr)) to check if the intermediary has been appointed by the money lender concerned (if your intermediary has been appointed by Money Lender A only, the intermediary will not be able to help you get a loan from any money lender other than Money Lender A). If a person claims to be an appointed intermediary of a money lender but the Register shows that that person has not been so appointed by the money lender, you should immediately stop dealing with that person and report to the Police.

\* Under the new requirements, if a money lender accepts a loan application referred by a financial intermediary, the financial intermediary concerned must be a person it has appointed and registered as such in the Register of Money Lenders. Otherwise, the money lender must not grant the loan.



## Points to note by borrowers when applying for a loan from a bank

REMINDE YOURSELF: Banks have ceased the use of referral services offered by financial intermediaries in respect of applications for retail consumer financial products or services such as personal loans, credit card loans and tax loans.

When receiving a call from a person claiming to represent a bank, do not readily believe in his/her claimed identity even though he/she indicates that there are problems with your loan from that bank, or if you are interested in the product being promoted. You should check the caller's identity by calling the banks' hotline listed on the websites of Hong Kong Monetary Authority, Hong Kong Association of Banks (HKAB) and individual retail banks. To protect your own interests, you should not provide any sensitive personal information easily.

List of banks' hotline (website of HKAB)

<https://www.hkab.org.hk/DisplayArticleAction.do?sid=5&ss=14>

Don't **Forget** to declare agreements with financial intermediaries

REMINDE YOURSELF: Must inform the money lender that the loan application was made through a financial intermediary and hand in a copy of the intermediary agreement.

If you have engaged a financial intermediary in making a loan application, you must inform the money lender concerned of the involvement of the financial intermediary, and not be induced by the money lender or financial intermediary not to provide the factual information, because otherwise you will incur losses.

REMINDE YOURSELF: Before entering into a loan agreement with a money lender, check the loan agreement carefully to ensure that it has accurately recorded the details of the financial intermediary.

REMINDE YOURSELF: You will not be granted any loan from a money lender if you make the loan application through a financial intermediary who refuses to provide a copy of the intermediary agreement.

\* The money lender must ascertain with the borrower if the latter has entered into an agreement with a financial intermediary, and must record the borrower's reply in the loan agreement.

REMINDE YOURSELF: Unless you have provided the money lender with a copy of the intermediary agreement signed between you and the financial intermediary, the money lender is not allowed to approve your loan application. To protect your own interests, you must personally submit a copy of the intermediary agreement instead of sending it through the financial intermediary or any other persons.

\* The money lender must request you to personally provide a copy of the intermediary agreement signed between you and the financial intermediary, which will be attached to the loan agreement.

REMINDE YOURSELF: Make sure that you fully understand all the terms and conditions of the loan agreement before you sign the agreement.

You should also cooperate with the money lender when it takes record during or after the explanation of the terms in the loan agreement.

\* Money lenders shall keep written or video or audio records which show that they have explained clearly to the intending borrower all the terms and conditions of the loan agreement.

✔ Think twice before you borrow. REFINDE YOURSELF: Consider your repayment ability and don't over-borrow.  
✔ Read carefully before you sign any document, and keep a copy of the signed document for record.

Please visit the following link for details of the additional licensing conditions:

[http://www.cr.gov.hk/en/publications/docs/Additional\\_Conditions-e.pdf](http://www.cr.gov.hk/en/publications/docs/Additional_Conditions-e.pdf)

If you are in financial distress, you may seek free advice and assistance through the following:

## 1. 24-hour Hotline

Name of Hotline	Telephone
Caritas Family Crisis Support Centre Financial Distress Counselling Hotline	3161 0102
Tung Wah Group of Hospitals Financial Relief and Counselling Hotline	2548 8411
Social Welfare Department (SWD) Hotline	2343 2255

## 2. Debt and Financial Management Counselling Service

Name of Organisation/Centre	Telephone	Address/Website
Caritas Family Crisis Line and Education Centre	3161 2929 (Debt Counselling and Financial Capability Service)	6/F, 134 Boundary Street, Kowloon <a href="http://debt.caritas.org.hk">http://debt.caritas.org.hk</a>
Tung Wah Group of Hospitals Healthy Budgeting Family Debt Counselling Centre	2548 0803 (Healthy Budgeting Family Debt Counselling Hotline)	Room 1401, 14/F, Tung Sun Commercial Centre, 194-200 Lockhart Road, Wanchai, Hong Kong <a href="http://fdcc.tungwahcsd.org">http://fdcc.tungwahcsd.org</a>

## 3. General Counselling Services

You may also approach the Integrated Family Service Centre or Integrated Services Centre operated by the SWD or non-government organisations for assistance. Please call the SWD's 24-hour hotline (2343 2255) or visit its website (<http://www.swd.gov.hk/en/index/>) at any time for the addresses, telephone numbers and operating hours of these centres.

## Common malpractices by financial intermediaries

- Induce you to apply for a loan from a money lender through them, with a view to
  - charging you exorbitant fees on different pretexts;
  - asking you to provide a security deposit or guarantee money allegedly as proof of your cash flow.
- Charge you a fee by claiming to provide financial assessment services (e.g. debt restructuring, stress test or credit record improvement) in the name of professional services providers, or withhold part of your loan on different pretexts (e.g. allegedly for helping you to purchase goods or services or make investment).
- Misrepresent themselves as officers of a government department or public organisation when they approach you, alleging that there are problems with your existing loan or property mortgage and ask you to restructure your loan or refinance or remortgage your property.

To verify financial intermediaries' identities:

[www.cr.gov.hk/mlr](http://www.cr.gov.hk/mlr)

