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KEMENTERIAN PERUMAHAN DAN KERAJAAN TEMPATAN**

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Editor,  
The Star

Sir,

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**Title :**

**BOLD ON AH LONG**

**NO PERMIT ISSUED BY MINISTRY OF HOUSING AND LOCAL  
GOVERNMENT (MHLG)**

We would like to refer to the report which appeared in your newspaper today with regards to advertisement of money lending on taxis. We would like to clarify that the advertisement had not obtained the permit issued by our Ministry, said YB Dato' Wira Chor Chee Heung.

We would appeal to those companies that they should seek advertisement permit granted from The Registrars of Moneylenders under section 11 of Moneylenders Act 1951 (Act 400). Any person who contravenes this section shall be guilty of an offence under this Act and shall be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding twelve months or to both.

Registered money lenders are only allowed to advertise after obtaining approval from MHLG. The advertisement should indicate the moneylender's license number and validity date, the advertisement permit number, the name, address and telephone number of the licensed moneylender and the interest rate offered.

Moneylenders and pawnbrokers under the supervision of MHLG are subject to stringent guidelines under The Moneylenders Act 1951 (Act 400) and Moneylenders (Control and Licensing) Regulations, 2003 and Moneylenders (Compounding of Offences) Regulations, 2003.

With the recent amendment to the act, which will take effect from 15 April 2011, new provisions will be enforced. These include enhancing the powers of the Registrar of Moneylenders and the Inspectors of Moneylenders as well as the police in the enforcement of the act. In order to counter illegal moneylending the penalty for those who carry out moneylending business without licence is increased to RM1mil from RM100,000. The Act will also prohibit the licensee and unlicensed moneylender to employ an agent to invite any person to borrow money.

Realising the severity of Ah Long issue, the Government through the Housing and Local Government Ministry (MHLG) advise the people not to deal with Ah Long for fast loan. Instead, moneylenders and pawnbrokers under the supervision of MHLG offer loan facilities. Besides, they can also apply for loans from financial institutions such as banks and cooperatives.

YB Dato' Wira pointed out that the ministry is very concerned about the Ah Long problem. He said the ministry would look into all issues related to this problem in order to protect borrowers' rights and interests.

Chor said licensed moneylender is a valid entity and is registered with MHLG. The licensed moneylenders must put up original licenses issued by MHLG at their registered premises.

“Borrowers do not need to worry because they are protected under the rules and regulations of The Moneylenders Act 1951 (Act 400) compared to Ah Longs who resort to violence should the borrowers fail to repay their loans.

And he said, the moneylenders are not allowed to appoint their representatives to repay their loans. Majority of the borrowers take up Ah Longs' loans because they do not bother about the high interest charged should they default in payments. This is in stark contrast with borrowers from the licensed moneylenders. The interest rates do not exceed 12 percent yearly or one percent per month for loan with collateral. The interest rate for loan without collateral does not exceed 18 percent per year or 1.5 percent monthly.

#### **REMEDIAL STEPS TAKEN BY MHLG**

According to Chor, the ministry has taken a number of measures to solve the Ah Long issue and thus, safeguard the public's interest. Besides more stringent enforcement by the ministry's officials, he said, MHLG also collaborates with the Royal Malaysia Police to tackle the unlicensed Ah Longs.

He said for the long term, the Ministry is looking into developing the money lending business towards offering micro credit services. To facilitate the public to check on these licensed moneylenders, the ministry has developed a portal E-Maps ( Electric Money Lender and Pawn Broker System). The portal E-Maps is available on

MHLG's website, namely [www.kpkt.gov.my](http://www.kpkt.gov.my) which was launched on 6 Jun 2009. Chor said, through this system, the public can get information about genuine licensed moneylenders and their status.

Information available on the licensed money lenders include the moneylender's name, Suruhanjaya Syarikat Malaysia number, type of organization, license number and its expiry; permit number and expiry date; registered address, the money lender's manpower and complaints on the money lender (if any).

Chor said, the objective of setting up Licensed Moneylenders and Pawnbrokers is part of the Government's social obligation to help those who need financial assistance." This will invariably prevent Ah Long problem and educate our society and the public to avoid borrowing money from Ah Long," he said.

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Issued By:

YB Dato' Wira Chor Chee Heung  
Ministry of Housing and Local Government  
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