

L.N. 208 of 2022

Money Lenders Ordinance

Resolution of the Legislative Council

Resolution made and passed by the Legislative Council under sections 24 and 25 of the Money Lenders Ordinance (Cap. 163) on 26 October 2022.

Resolved that, with effect from 30 December 2022, the Money Lenders Ordinance (Cap. 163) be amended as set out in the Schedule.

Schedule

Amendments to Money Lenders Ordinance

1. Section 24 amended (prohibition of excessive interest rates)

Section 24(1)—

Repeal

“60”

Substitute

“48”.

2. Section 25 amended (reopening of certain transactions)

Section 25(3)—

Repeal

“48”

Substitute

“36”.

Kenneth CHEN Wei-on
Clerk to the Legislative Council

26 October 2022

Explanatory Note

Under section 24(1) of the Money Lenders Ordinance (Cap. 163) (*Ordinance*), a person commits an offence if the person lends or offers to lend money at an effective rate of interest which exceeds the rate specified in that section (*interest rate cap*).

2. Also, under section 25(3) of the Ordinance, if the effective rate of interest under an agreement for the repayment of a loan or for the payment of interest on a loan exceeds the rate specified in that section (*extortionate rate*), the transaction is presumed to be an extortionate transaction.
3. This Resolution reduces the interest rate cap from 60% per annum to 48% per annum and the extortionate rate from 48% per annum to 36% per annum.