

Motor Vehicle Financing Restrictions Extended to Individual-Owned Private Hire Cars

Financing arrangements for individual-owned PHCs to be subject to 60% or 70% LTV limit and 7-year tenure cap

From 30 October 2026, individuals¹ purchasing cars registered as private hire cars (PHCs) will be subject to the same motor vehicle financing restrictions that apply to other private car buyers.

- i. For a motor vehicle with Open Market Value (OMV) of \$20,000 and below, the maximum loan-to-value (LTV) will be 70% of the purchase price, including relevant taxes and the price of the Certificate of Entitlement (COE), where applicable;
- ii. For a motor vehicle with OMV of more than \$20,000, the maximum LTV will be 60%; and
- iii. The tenure of motor vehicle financing arrangements will be capped at 7 years.

2 The financing restrictions above will apply to individuals obtaining motor vehicle loans from financial institutions and licensed/exempt moneylenders for the purchase of a PHC. The same restrictions will apply when the financing takes the form of hire purchase or conditional sale agreements.

3 The financing restrictions will apply to purchases of individual-owned PHCs where the sales agreements are signed on or after 30 October 2026. Where there is no sales agreement, the financing restrictions will apply if the COE is obtained on or after 30 October 2026. Commercial vehicles², business-owned private hire cars and motorcycles will continue to be exempt from the financing restrictions.

4 Individual-owned PHCs, unlike taxis, are private cars with the added flexibility to be used for private hire. Prior to 30 October 2026, individual-owned PHCs were exempted from motor vehicle financing restrictions on the basis that they were for commercial use. With the PHC industry evolving over the years, the private hire car fleet has grown and stabilised. More recently, there have been more instances of individual buyers of private cars using this exemption who have no intent to offer PHC services. A recent surge in individual-owned self-drive PHC registrations (~500 per month) suggests that some may be doing so primarily to access more permissive financing terms.

5 To ensure that PHC purchases cannot be used to circumvent financing restrictions that apply to private car buyers, individual buyers of PHCs will now be subject to the same financing restrictions as private car buyers. This will also ensure that new PHC drivers exercise the same financial prudence as other private car buyers.

¹ Individuals acting as sole proprietors will also be subject to the financing restrictions.

² "Commercial vehicles" refer to goods vehicles (not including goods-cum-passengers vehicles), omnibuses, school buses, private hire buses, excursion buses, private buses, engineering plants, and taxis.

6 The Government has separately considered other measures such as creating a separate COE category for private hire and car-leasing companies. However, this will likely result in higher rentals for PHC drivers and higher fares for PHC users, thus disadvantaging those who do not own a car or cannot drive. It will also require more prescriptive rules on PHC drivers and cars, thus reducing the flexibility to meet the commuting demand of PHC users.

7 The Government will monitor market developments and take further steps to apply the same restrictions consistently across financing arrangements, such as in-house loans. The Government will also work closely with platform operators to implement these measures effectively and consistently. We advise all prospective car buyers to borrow within their means and avoid unregulated financing schemes.

For enquiries, please contact:

Ministry of Transport, Singapore

Email: comms@mot.gov.sg

Monetary Authority of Singapore

Email: Jacqueline_ONG@mas.gov.sg

Ministry of Energy, Trade and Industry

Email: Lau_Zhi_Xin@meti.gov.sg

Ministry of Law

Email: shereen_khan@minlaw.gov.sg