**BANKS (MOTOR VEHICLE LOANS) (MISCELLANEOUS PROVISIONS) ACT**

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(MISCELLANEOUS PROVISIONS) ACT

ARRANGEMENT OF SECTIONS

SECTION

1. Offences and penalty for unauthorised sale of a motor vehicle on which a loan is outstanding.
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BANKS (MOTOR VEHICLE LOANS)  
(MISCELLANEOUS PROVISIONS) ACT

**An Act to prohibit the sale, disposal or parting with possession of a motor vehicle on  
which a bank loan is still outstanding and to require the licensing authority to  
enter all particulars on the loan in the register.**

[1979 No. 14.]

*[4th April, 1979]*

[Commencement.]

**1. Offences and penalty for unauthorised sale of a motor vehicle on which a loan is  
outstanding**

(1) As from the commencement of this Act, it shall be an offence for any person to  
sell, dispose or otherwise part with the possession of a motor vehicle on which a loan  
obtained from a bank is still outstanding without first obtaining the consent in writing of  
the bank prior to the sale or disposal.

(2) Any person who fails to comply with the provisions of subsection (1) of this section shall be guilty of an offence and liable on conviction to a fine of ~~N~~200 or six months' imprisonment or to both such fine and imprisonment.

1. **Disclosure of certain particulars to the licensing authority**

(1) As from the commencement of this Act, any person who purchases a motor vehicle with a loan granted by a bank shall disclose to the licensing authority the particulars  
of the loan, the name and address of the bank making the loan and such other particulars  
as may be prescribed:

Provided that where such a person fails or refuses to disclose such particulars within thirty days from the purchase of the motor vehicle the bank *mat*itself supply the   particulars concerned to the licensing authority which shall register the latter particulars in substitution for any other entry made in the relevant register.

(2) It shall be the duty of the licensing authority to which the particulars stipulated in  
subsection (1) of this section are given to cause the particulars or, as the case may require, the substituted particulars to be entered in the appropriate register relating to the motor vehicle and to endorse on the motor vehicle licence the name of the bank making the loan or such endorsement on the motor vehicle licence that clearly shows that a loan is still outstanding on the motor vehicle.

(3) No change of ownership of the motor vehicle shall, prior to the full repayment or  
settlement of the loan, be registered by the licensing authority without a certificate of  
discharge or consent in writing issued by the bank offering the loan to purchase the motor  
vehicle.

(4) Any registration made contrary to the provisions of this section shall be void and  
shall have no effect whatsoever on the right of ownership or the right to recover possession of the motor vehicle by the bank which had granted the loan for the purchase of such  
motor vehicle.

1. **Issue and effect of discharge certificate**

(1) Immediately after full settlement or repayment of a loan (including any interest  
thereon) is made by the borrower to the bank, the bank shall issue a discharge certificate  
to the person who obtained the loan and shall send a copy of the discharge certificate to  
the licensing authority.

(2) On the receipt of the discharge certificate, the licensing authority shall make an  
entry in that behalf in the register relating to the motor vehicle and thereafter the owner of  
the motor vehicle shall be free to dispose of the motor vehicle without having to comply  
with the requirements laid down in the foregoing provisions of this Act.

1. **Interpretation**

In this Act, unless the context otherwise requires-

**"bank"** has the meaning assigned thereto by section 66 of the Banks and Other Financial Institutions Act;

[Cap. B3.]

"**motor vehicle"** means a mechanically propelled vehicle intended or adopted for use  
on roads;

**"prescribed"** means prescribed by the Minister charged with responsibility for finance.

**5. Short title**

This Act may be cited as the Banks (Motor Vehicle Loans) (Miscellaneous Provisions) Act.

**SUBSIDIARY LEGISLATION**

*No Subsidiary Legislation*