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In Parliament

# Opening Speech by Acting Minister for Transport Jeffrey Siow for Second Reading of Land Transport and Related Matters Bill

Sectors [Active mobility](#) [ERP](#)

3 February 2026

## Introduction

1. Mr Speaker, Sir, I move, "That the Bill be now read a second time".
2. The Land Transport and Related Matters Bill is an omnibus Bill that regularises provisions across several existing Acts. It is also a joint Bill by MOT and MHA covering several key areas.
  - a. I will speak on amendments pertaining to the Electronic Road Pricing (ERP) 2 system, and penalties for serious vehicular offences.
  - b. MOS Baey Yam Keng will introduce amendments related to active mobility, including regulations on Personal Mobility Aids, and the keeping of unsafe Personal Mobility Devices.
  - c. SMS Sim Ann will address the MHA components of this Bill, including the penalties for speed limiter offences.

## Facilitating the ERP 2 Transition

3. The transition to the satellite-based ERP 2 has been discussed extensively in this House before. Let me recap quickly why we need ERP 2, and the benefits that it will bring.
4. The current ERP system has been in place since 1998. In combination with vehicle ownership policies, road pricing has kept traffic congestion in check during peak hours.
5. However, after almost three decades, the current ERP system is reaching end of life. Replacing obsolete components and infrastructure had become unsustainably challenging and expensive.
6. Hence, in 2013, we decided to prepare to move to a new ERP 2 system using Global Navigation Satellite System (GNSS) technology.
7. While ERP 2 was intended to be a step up, providing useful features for motorists such as real-time traffic information, it was nevertheless based on prevailing technology in 2013.
8. The implementation of ERP 2 took longer than initially planned.



a. Technology has improved since 2013. Some features envisioned for the On-Board Unit (OBU), such as displaying charging information and traffic alerts, can now also be done via other means, for example, on smartphones.

b. Nevertheless, the ERP 2 design, with an On-Board Unit, remained fit for purpose for accurate and efficient road charging.

9. Since we first began the OBU installation exercise in 2024, LTA received much feedback. LTA has taken the feedback on board and this has improved the user experience.

a. For instance, vehicle owners can choose not to have a display screen, which would be more similar to the ERP 1 experience. But I note that in the end, the vast majority of car owners chose to install the display screens.

10. To date, more than 90% of vehicles have the OBU installed. And having tried out the new OBU, more motorists have given positive feedback. Motorists tell us that they find some features useful, such as carpark availability, reminders on speed limits and bus lanes in operation.

11. We have been introducing these and other new features progressively. Since September last year, motorists can use the OBU to pay for missed ERP charges via the click of a button. Soon, motorists will also be able to use the OBU for contactless toll payments at land checkpoints as well as for roadside electronic parking

a. This is why we are introducing Clauses 59 to 64 in this Bill to simplify settlement processes and decriminalise missed ERP charges, which are an offence under the Road Traffic Act.

12. Compared to ERP 1, ERP 2 will be more precise and finer in targeting road congestion.

a. It allows us to introduce new charging points without the need for expensive and large physical gantries.

b. We can also spread out ERP charges in smaller amounts across several locations, as opposed to at just one location. This will be fairer.

13. At this point, let me reassure motorists that we will be judicious in adding new charging points, doing so only when needed at persistent congestion hotspots.

a. My intent is to make the transition as smooth as possible so that the experience is as similar to ERP 1 as possible in the short term.

b. This means that we will not be introducing distance-based charging in the immediate term. It is something we will continue to study and explore when motorists have gotten used to the new system.

14. I want to thank the 93% of vehicle owners who have already installed the OBU.

15. For the remainder, LTA is issuing a final reminder. These vehicle owners, who have been previously notified, will have another three months to install their OBUs at no cost. After that, OBU installation fees will apply. I strongly encourage the remaining vehicle owners to install their OBU as soon as possible.

16. On 1 January 2027, when ERP 2 is completely rolled out and ERP 1 is decommissioned, the OBU will be mandatory for all Singapore-registered vehicles. This is because ERP 2 uses satellite technology, rather than gantries, to determine the vehicle's location for charging. Clause 65 of the Bill amends the Road Traffic Act 1961 to allow for this.

17. For foreign-registered private vehicles, we encourage them to install OBUs for usage-based charging, although we recognise that occasional visitors may prefer not to do so. Vehicles without OBUs can pay a daily flat fee, like cars without the IU today. Malaysian



taxis, however, will be required to install the OBU, as this is necessary for us to track and enforcement of such vehicles within Singapore.

18. To safeguard the integrity of the ERP 2 system, it will be an offence to tamper with or modify OBUs without authorisation, and to provide or advertise services on the OBU similarly without authorisation. And these will be set out in subsidiary legislation.

a. For serious cases of deliberate non-compliance or misuse, the legislation provides for penalties of up to \$20,000 and/or imprisonment of up to one year.

### **Strengthening Deterrence for Vehicular Offences**

19. This Bill also covers housekeeping amendments that harmonise penalties for two categories of vehicular offences.

20. Today, there are over 1,000 cases of illegal vehicle modifications detected annually.

a. To deter workshops from doing illegal modification on a large scale, Clause 52 of the Bill raises the maximum penalties for such illegal alterations.

b. Under the Bill, individuals can face fines up to \$20,000 and/or imprisonment for a term not exceeding 2 years, with penalties doubled for repeat offenders.

c. For non- individuals, first time offenders can be fined up to \$40,000, and up to \$80,000 for repeat offenders.

21. Another serious vehicular offence is keeping or using unregistered or deregistered vehicles. Clause 57 of the Bill increases penalties for offenders, who will face fines of up to \$20,000, and/or jail of up to 2 years for the first offence, again with penalties doubled for repeat offenders.

a. These enhanced penalties are necessary as we are seeing a growing trend of unregistered vehicles on our roads. Some of them are used for criminal activities, such as drug trafficking. These vehicles also pose serious safety risks, as they operate without valid insurance or inspections, and are often involved in hit-and-run accidents.

b. Going forward, ERP 2 will also make it easier to detect and enforce against such vehicles.

### **Supporting Provisions**

22. The Bill also includes a few supporting amendments.

a. Clauses 46 and 47 will amend the Land Transport Authority of Singapore Act to expressly empower LTA to grant financial incentives, support, grant, aid or assistance. This is to give flexibility for potential future schemes where direct disbursement maybe necessary.

b. Clauses 48 to 50 will amend the Parking Places Act to enable prosecution in the case of inaccurate lodgements.

23. Mr Speaker, Sir, let me conclude. Sir, the provisions in the Bill support the transition to ERP 2 and harmonise vehicular offence penalties across our regulatory system.

24. I will now invite the Minister of State for Transport to elaborate on the active mobility measures in this Bill, followed by the Senior Minister of State for Home Affairs who will elaborate on the measures under MHA.

25. Sir, I seek to move.



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