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## BILLS SUPPLEMENT

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**Notification No. B 21** — The Monetary Authority of Singapore (Amendment) Bill is hereby published for general information. It was introduced in Parliament on the 16th day of October 2003.

# Monetary Authority of Singapore (Amendment) Bill

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**Bill No. 21/2003.**

*Read the first time on 16th October 2003.*

A BILL

*i n t i t u l e d*

An Act to amend the Monetary Authority of Singapore Act (Chapter 186 of the 1999 Revised Edition) and to make related and consequential amendments to certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### **Short title and commencement**

1. This Act may be cited as the Monetary Authority of Singapore (Amendment) Act 2003 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### **Amendment of section 2**

2. Section 2 of the Monetary Authority of Singapore Act (referred to in this Act as the principal Act) is amended by deleting the full-stop at the end of the definition of “managing director” and substituting a semi-colon, and by inserting immediately thereafter the following definitions:

10           “ “money market operations” means any transaction undertaken by the Authority as the central bank to manage liquidity in the banking system;

              “officer”, in relation to the Authority, includes any person employed by the Authority in an executive capacity.”.

### **Amendment of section 6**

3. Section 6 of the principal Act is amended —

(a) by deleting the words “as are usually provided for by banks” in subsection (2) and substituting the words “or purposes as the Authority may determine”; and

20           (b) by deleting subsection (3) and substituting the following subsections:

              “(3) Subject to subsection (4), such part of the net profit for each financial year as the Authority may determine shall be paid to the Government and the remainder of the net profit, if any, shall be credited to the General Reserve Fund.

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              (3A) Notwithstanding subsection (3), the Authority may pay to the Government such amount from the General Reserve Fund over and above the net profit, if any, as the Authority may determine.”.

### **Amendment of section 9**

4. Section 9 of the principal Act is amended —

- (a) by inserting, immediately after the words “done by the Authority” in subsection (3), the words “under this Act or any other written law”; and
- (b) by inserting, immediately after subsection (5), the following subsections:

“(6) The managing director may, subject to such terms and conditions as he thinks fit, appoint any officer or employee of the Authority, or form any committee comprising officers or employees of the Authority or both, to exercise any of his powers or perform any of his functions or duties conferred or imposed upon him by virtue of subsection (3), and that officer, employee or committee shall exercise those powers or perform those functions or duties under the direction and control of the managing director.

(7) For the avoidance of doubt, the managing director —

(a) shall remain responsible for any exercise of his powers or any performance of his functions or duties by any officer or employee appointed or by any committee formed under subsection (6); and

(b) may continue to exercise his powers or perform his functions or duties conferred or imposed upon him by virtue of subsection (3), notwithstanding the delegation of the power, function or duty under subsection (6).”.

## **Amendment of section 12**

5. Section 12 of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) For the avoidance of doubt, a decision of the board may be made by way of a resolution passed by a simple majority of the directors by written or electronic means.”.

## **New section 13A**

6. The principal Act is amended by inserting, immediately after section 13, the following section:

**“Appointment of committees and delegation of powers**

13A.—(1) The Authority may appoint from among its directors or other persons who are not directors such number of committees as it thinks fit for purposes which, in the opinion of the Authority, would be better regulated and managed by means of such committees.

(2) The Authority may, subject to such conditions or restrictions as it thinks fit, delegate to any such committee or any director any of the powers, functions or duties of the Authority under this Act or any other written law, except the power of delegation conferred by this subsection and the power to make subsidiary legislation unless expressly provided under any written law.

(3) Any power, function or duty delegated under subsection (2) may be exercised or performed by such committee or director, as the case may be, in the name and on behalf of the Authority.

(4) The Authority may continue to exercise a power conferred upon it, or perform a function or duty under this Act or any other written law, notwithstanding the delegation of the power, function or duty under this section.”.

**Repeal and re-enactment of section 22**

7. Section 22 of the principal Act is repealed and the following section substituted therefor:

**“Immunity of Authority, directors and employees, etc.**

22. No action, suit or other legal proceedings shall lie against —

- (a) the Authority;
- (b) any director, officer or employee of the Authority;
- (c) any public officer;
- (d) any person who is on secondment or attachment to the Authority; or
- (e) any person appointed, approved or directed by the Minister or the Authority to exercise the Authority’s power, perform the Authority’s functions or duties or to assist the Authority in the exercise of its powers or performance of its functions or duties under this Act or any other written law,

for anything done (including any statement made) or omitted to be done in good faith in the course of or in connection with —

- (i) the exercise or purported exercise of any power under this Act or any other written law;
- 5 (ii) the performance or purported performance of any function or duty under this Act or any other written law; or
- (iii) the compliance or purported compliance with this Act or any other written law.”.

### **Amendment of section 23**

- 10 **8.** Section 23(1) of the principal Act is amended by deleting paragraph (g) and substituting the following paragraph:

“(g) grant loans, advances or other credit facilities for the purposes of money market operations, on such terms and conditions as the Authority thinks fit, to such financial institutions or class of financial institutions as the Authority may from time to time determine;”.

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### **Repeal and re-enactment of section 26**

- 9.** Section 26 of the principal Act is repealed and the following section substituted therefor:

20 **“Special loans to banks, financial institutions, etc.**

**26.** The Authority may, if it thinks such action is necessary to safeguard —

- (a) the stability of the financial system; or
  - (b) public confidence in the financial system,
- 25 make any loan or advance to any bank carrying on business under the Banking Act (Cap. 19) or to such financial institutions or class of financial institutions or such other persons as the Authority may from time to time determine, on such terms and conditions as the Authority thinks fit.”.

### **Amendment of section 27**

**10.** Section 27 of the principal Act is amended by inserting, immediately after subsection (4), the following subsection:

5       “(5) For the avoidance of doubt, any direction issued under this section, section 27A or 28 shall be deemed not to be subsidiary legislation.”.

### **Repeal and re-enactment of section 34**

**11.** Section 34 of the principal Act is repealed and the following section substituted therefor:

10       **“Preparation and publication of financial statements and annual report**

**34.—**(1) The Authority shall, within 6 months from the close of its financial year, transmit to the President —

15       (a) a copy of the financial statements certified by the Auditor-General and those statements shall then be published in the *Gazette*; and

(b) a report by the board on the working of the Authority throughout the financial year and that report shall be published by the Authority.

20       (2) The Authority shall, within 6 months from the close of its financial year, cause the financial statements and the annual report to be presented to Parliament.

25       (3) In preparing the financial statements for the purpose of this section, the Authority may comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to the objects and functions of the Authority.”.

### **Repeal of section 40**

**12.** Section 40 of the principal Act is repealed.

### **Related and consequential amendments to other written laws**

30       **13.** The provisions of the Acts specified in the first column of the Schedule are amended in the manner set out in the second column thereof.

## THE SCHEDULE

Section 13

RELATED AND CONSEQUENTIAL AMENDMENTS  
TO OTHER WRITTEN LAWS

<i>First column</i>	<i>Second column</i>
(1) Banking Act (Chapter 19, 2003 Ed.) Section 68	Repeal.
(2) Currency Act (Chapter 69, 2002 Ed.) (a) Section 21	Insert, immediately after subsection (9), the following subsection:  “(10) In preparing the financial statements relating to the Currency Fund, the Authority may comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to the objects and functions of the Authority under this Act or the Monetary Authority of Singapore Act (Cap. 186).”.
(b) Section 27	Repeal.
(3) Finance Companies Act (Chapter 108, 2000 Ed.) Section 44	Repeal.
(4) Financial Advisers Act (Chapter 110, 2002 Ed.) Section 99	Repeal.



<i>First column</i>	<i>Second column</i>
(5) Insurance Act (Chapter 142, 2002 Ed.)  Section 51	   Repeal.
(6) Money-changing and Remittance Businesses Act (Chapter 187, 1996 Ed.)  Section 24	   Repeal.
(7) Payment and Settlement Systems (Finality and Netting) Act (Chapter 231, 2003 Ed.)  Section 19	   Repeal.
(8) Securities and Futures Act (Chapter 289, 2002 Ed.)  Section 323	   Repeal.

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Monetary Authority of Singapore Act (Cap. 186) for the following main purposes:

- (a) to enable the Monetary Authority of Singapore (the Authority) to set aside provisions for contingencies or other purposes as the Authority may determine;
- (b) to enable the Authority and the managing director of the Authority to form committees and to delegate their powers, functions or duties under the Act or any other written law to such committees;
- (c) to specify the timeframe for the presentation of the financial statements and annual report of the Authority to Parliament;
- (d) to confer legal immunity on the Authority, its officers and employees and certain other specified persons;
- (e) to enable the Authority to grant credit facilities to financial institutions for money market operations or for the purpose of safeguarding the stability of and public confidence in the financial system; and

- (f) to enable the Authority, in preparing its financial statements, to comply with accounting standards, to the extent that it is appropriate to do so, having regard to the objects and functions of the Authority.

The Bill also seeks to make related and consequential amendments to certain other written laws.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 to insert new definitions of “money market operations” and “officer”.

Clause 3 amends section 6 (relating to the General Reserve Fund) —

- (a) to enable the Authority to set aside provisions for contingencies or other purposes as the Authority may determine; and
- (b) to enable the Authority to pay to the Government such amounts from the General Reserve Fund as determined by the Authority, over and above its net profit, if any.

Clause 4 amends section 9 (relating to the appointment of the managing director of the Authority) —

- (a) to clarify that the managing director is empowered to exercise powers and do all acts which may be exercised or done by the Authority under the Act or any other written law;
- (b) to enable the managing director to appoint any officer or employee of the Authority or to form any committee comprising officers or employees of the Authority or both, to exercise those powers or perform those functions or duties under the direction and control of the managing director; and
- (c) to provide, for the avoidance of doubt, that the managing director —
  - (i) must remain responsible for any exercise of his powers or any performance of his functions or duties by any officer or employee appointed or by any committee formed under the section; and
  - (ii) may continue to exercise his powers or perform his functions or duties notwithstanding the delegation of the power, function or duty.

Clause 5 amends section 12 (relating to meetings and decisions of the board of directors of the Authority) to clarify that any decision of the board may be made by way of a resolution passed by a simple majority of the directors by written or electronic means.

Clause 6 inserts a new section 13A to empower the Authority to form committees and to delegate to such committees or any director any of the powers, functions or duties of the Authority under the Act or any other written law, except the power to delegate under the section and the power to make subsidiary legislation (unless otherwise expressly provided under any written law).

Clause 7 repeals and re-enacts section 22 to confer immunity from suits or other legal proceedings upon —

- (a) the Authority;
- (b) any director, officer or employee of the Authority;
- (c) any public officer;
- (d) any person who is on secondment or attachment to the Authority; or
- (e) any person appointed, approved or directed by the Minister or the Authority to exercise the Authority's power, perform the Authority's functions or duties or to assist the Authority in the exercise of its powers or performance of its functions or duties under the Act or any other written law,

under certain circumstances.

Clause 8 amends section 23(1) (which relates to the powers, duties and functions of the Authority) by deleting and substituting paragraph (g) to enable the Authority to grant loans, advances or other credit facilities to financial institutions for the purposes of money market operations, on such terms and conditions as the Authority thinks fit.

Clause 9 repeals and re-enacts section 26 to enable the Authority to make any loan or advance to any bank or such financial institution or other persons as the Authority may determine, on such terms and conditions as the Authority thinks fit, where it thinks such action is necessary to safeguard the stability of or public confidence in the financial system.

Clause 10 amends section 27 to provide, for the avoidance of doubt, that any direction issued under the section, section 27A or 28 is deemed not to be subsidiary legislation.

Clause 11 repeals and re-enacts section 34 (relating to the preparation and publication of financial statements and the annual report of the Authority) —

- (a) to substitute the term “financial statements” for “annual accounts”;
- (b) to provide that the Authority must cause the financial statements and annual report to be presented to Parliament within 6 months from the close of its financial year; and
- (c) to enable the Authority, in preparing its financial statements, to comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to the objects and functions of the Authority.

Clause 12 repeals section 40 consequential to the re-enactment of section 22 by clause 7.

Clause 13 (to be read with the Schedule) makes related and consequential amendments to certain other written laws.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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