



THE STATUTES OF THE REPUBLIC OF SINGAPORE

BANKING ACT

(CHAPTER 19)

Act

41 of 1970

1970 Ed. Cap. 182

1985 Ed. Cap. 19

Amended by

6 of 1983

2 of 1984

16 of 1993

28 of 1993

1994 Ed. Cap. 19

Amended by

21 of 1996

27 of 1998

37 of 1998

25 of 1999

1999 Ed. Cap. 19

Amended by

23 of 2001

42 of 2001

REVISED EDITION 2003

(31st July 2003)

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF

THE REVISED EDITION OF THE LAWS ACT (CHAPTER 275)

Banking Act

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title
2. Interpretation

PART II

APPOINTMENT OF ASSISTANTS

3. Appointment of assistants

PART III

LICENSING OF BANKS

4. Licensing of banks
- 4A. Restriction on deposit-taking business and soliciting deposits
- 4B. Application of section 4A
- 4C. Examination of persons suspected of contravening section 4A and access to premises
5. Use of word “bank”
- 5A. Use of bank name, etc.
6. Examination of persons suspected of transacting banking business and access to premises
7. Application for licence
8. Licence fees
9. Minimum capital requirements
- 9A. Capital requirements for qualifying subsidiaries
10. Risk-based capital requirements
11. Foreign government-owned banks
- 11A. Appeal to Minister
12. Branches
13. Fees to be paid in respect of branches of banks

Section

- 14. Mergers
- 14A. Approval by Minister for merger of certain banks
- 14B. Condition for issue of certificate of approval
- 14C. Effect of merger
- 15. Application and interpretation of sections 15A to 18
- 15A. Control of substantial shareholdings in designated financial institutions
- 15B. Control of shareholdings and voting power in designated financial institutions
- 15C. Approval of applications
- 15D. Power to exempt and make further transitional provisions
- 15E. Objection to existing control of designated financial institutions
- 16. Power to make directions
- 17. Offences, penalties and defences
- 18. Power of Authority to obtain information
- 19. Amendment of bank's constitution
- 20. Revocation of licence
- 21. Effect of revocation of licence

PART IV

RESERVE FUNDS, DIVIDENDS,
BALANCE-SHEETS AND INFORMATION

- 22. Maintenance of reserve fund
- 23. Maintenance of adequate provision for bad and doubtful debts
- 24. (*Repealed by Act 23 of 2001*)
- 25. Publication and exhibition of audited balance-sheet
- 26. Information to be furnished by banks
- 27. Action to be taken if advances are against interests of depositors
- 28. Disclosure of interest by directors

PART V

PROHIBITED BUSINESS

- 29. Credit facilities and limits
- 30. Non-financial businesses
- 31. Limit on equity investments
- 32. Investments in companies undertaking non-financial businesses
- 33. Immovable property
- 34. Grace period for sections 30 to 33

Section

- 35. Exposure to immovable property sector
- 36. Power of Authority to secure compliance with sections 10, 23, 29, 31, 32, 33, 35 and 42
- 37. Relief from limitations imposed by sections 29, 31 and 33

PART VI**MINIMUM ASSET REQUIREMENTS**

- 38. Minimum liquid assets
- 39. Minimum cash balances
- 40. Minimum asset requirement

PART VII**POWERS OF CONTROL OVER BANKS**

- 40A. Interpretation of this Part
- 41. Regulation of interest rates of banks
- 42. Recommendations to banks concerning credits and investments
- 43. Inspection of banks
- 44. Special investigation of banks
- 44A. Provisions supplementary to sections 43 and 44
- 45. Inspection in Singapore by parent supervisory authority
- 46. Confidentiality of inspection and investigation reports
- 47. Banking secrecy
- 48. Information of insolvency, etc.
- 49. Action by Authority if bank is unable to meet obligations, etc., or is conducting business to detriment of depositors
- 50. Powers of Authority
- 51. Duration of control
- 52. Bank under control of Authority to co-operate with Authority
- 53. Remuneration and expenses of Authority and others in certain cases
- 54. Moratorium
- 55. Notices to banks

PART VIII**NUMBERED ACCOUNTS**

- 56. Prohibition against opening of numbered accounts
- 57. (*Repealed by Act 23 of 2001*)

PART IX
MISCELLANEOUS

Section

- 58. Auditing
 - 59. Clearing House settlements and control over Clearing House
 - 60. Declaration of holidays
 - 61. Priority of deposit liabilities
 - 62. Priority of deposit liabilities inter se
 - 63. Redemption of securities held by bank under liquidation
 - 64. Execution of instruments under seal
 - 65. Disqualification of directors and employees of banks
 - 66. Offences by directors or managers
 - 67. Offences by directors, employees and agents
 - 68. Indemnity
 - 69. Power to compound
 - 70. Publication of list of banks
 - 71. General penalty
 - 72. Offences triable in District Court
 - 73. Consent of Attorney-General
 - 74. Recovery of fees, expenses, etc.
 - 74A. Power to refund, reduce, etc., penalty interest charge
 - 75. Operation of this Act not to affect Companies Act
 - 75A. Service of documents, etc.
 - 76. Exemption
 - 77. Authority to approve operation of an Asian Currency Unit
 - 77A. Authority to approve issue of stored value cards
 - 78. Regulations
 - 79. Transitional licensing provisions
 - First Schedule — Banks
 - Second Schedule — Effect of Merger
 - Third Schedule — Part I — Further Disclosure not Prohibited
 - Part II — Further Disclosure Prohibited
 - Part III — Interpretation
-

An Act to provide for the licensing and regulation of the business of banks and related financial institutions, and matters related thereto.

[23/2001]

[1st January 1971]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Banking Act.

Interpretation

- 2.—(1) In this Act, unless the context otherwise requires —
 - “agreement” means an agreement whether formal or informal and whether express or implied;
 - “Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186);
 - “bank” means any company which holds a valid licence under section 7, 11 or 79;
 - “bank in Singapore” means —
 - (a) a bank incorporated in Singapore; or
 - (b) in the case of a bank incorporated outside Singapore, the branches and offices of the bank located within Singapore;
 - “bank incorporated outside Singapore” means a bank incorporated, formed or established outside Singapore;
 - “banking business” means the business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, the making of advances to customers, and includes such other business as the Authority may prescribe for the purposes of this Act;
 - “capital funds” means —
 - (a) in the case of a bank incorporated in Singapore, the aggregate of its issued and paid-up capital and its

published reserves (excluding such reserves as the Authority may specify by notice in writing), deduction having been made for any loss appearing in the accounts of the bank; or

- (b) in the case of a bank incorporated outside Singapore, such net head office funds and such other liabilities as the Authority may, by notice in writing, specify;

“company” means any company defined in any written law for the time being in force relating to companies, any company formed in pursuance of any Royal Charter or Letters Patent, and any company incorporated or registered under any written law in force in Singapore and includes any body corporate or unincorporate, whether incorporated, formed or established outside Singapore;

“corporation” has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

“credit facilities” means —

- (a) the granting by a bank of advances, loans and other facilities whereby a customer of the bank has access to funds or financial guarantees; or
- (b) the incurring by a bank of other liabilities on behalf of a customer;

“director” includes any person occupying the position of director of a corporation by whatever name called and includes a person in accordance with whose directions or instructions the directors of a corporation are accustomed to act and an alternate or substitute director;

“employee” includes an individual seconded or temporarily transferred from another employer;

“financial holding company” means a company belonging to a class of financial institutions approved as financial holding companies under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

“licence” means a licence granted or held under section 7, 11 or 79;

“officer”, in relation to a corporation, includes —

- (a) a director, secretary or an employee of the corporation;

(b) a receiver or manager of any part of the undertaking of the corporation appointed under a power contained in any instrument; and

(c) the liquidator of the corporation appointed in a voluntary winding up;

“person” includes a corporation;

“place of business”, in relation to a bank, includes a head or main office, a branch, an agency, a representative office, a mobile branch of the bank, any office established and maintained for a limited period only and any other place used by the bank for the dispensing or acceptance of money on account or for the conduct of other banking business;

“published reserves”, in relation to a bank, means reserves which appear in the accounts of the bank which are duly audited or certified as correct by the auditor of the bank;

“qualifying subsidiary” means a company in relation to which more than 50% of its issued and paid-up capital is owned by a bank incorporated in Singapore and such bank meets the requirements under section 9 (1) and (2);

“related corporation”, in relation to a corporation, means a corporation that is deemed to be related to the first-mentioned corporation under section 6 of the Companies Act (Cap. 50);

“savings account liabilities”, in relation to a bank, means the total deposits at that bank which normally require the presentation of passbooks for the deposit or withdrawal of moneys;

“share”, in relation to a bank, means a share in the share capital of the bank and includes an interest in such a share;

“sight liabilities”, in relation to a bank, means the total deposits at the bank which are repayable on demand, but does not include savings account liabilities or the deposits of any other bank at the bank;

“time liabilities”, in relation to a bank, means the total deposits at the bank which are repayable otherwise than on demand, but does not include savings account liabilities or the deposits of any other bank at the bank.

[2/84; 21/96; 23/2001]

(2) Without prejudice to any other meaning which the word “insolvent” may have, a bank shall, for the purposes of this Act, be deemed to be insolvent if either it has ceased to pay its debts in the ordinary course of business or is unable to pay its debts as they become due.

PART II

APPOINTMENT OF ASSISTANTS

Appointment of assistants

3.—(1) The Authority may appoint any person to exercise any of its powers or perform any of its functions or duties under this Act, either generally or in any particular case, except the power to make subsidiary legislation.

[23/2001]

(2) Any person appointed by the Authority under subsection (1) shall be deemed to be a public servant for the purposes of the Penal Code (Cap. 224).

[23/2001]

PART III

LICENSING OF BANKS

Licensing of banks

4.—(1) No banking business shall be transacted in Singapore except by a company which is in possession of a valid licence granted under this Act by the Authority authorising it to conduct banking business in Singapore.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Restriction on deposit-taking business and soliciting deposits

4A.—(1) Subject to subsection (6), no person shall, in the course of carrying on (whether in Singapore or elsewhere) a deposit-taking business, accept in Singapore any deposit from any person in Singapore.

[23/2001]

(2) Subject to subsection (7), no person shall, whether in Singapore or elsewhere, offer or invite or issue any advertisement containing any offer or invitation to the public or any section of the public in Singapore —

(a) to make any deposit, whether in Singapore or elsewhere; or

(b) to enter or offer to enter into any agreement to make any deposit, whether in Singapore or elsewhere,

where such deposit is to be made with any person (not being a person specified in subsection (6)) in the course of the carrying on (whether in Singapore or elsewhere) of a deposit-taking business by that person.

[23/2001]

(3) For the purposes of subsection (2), in determining whether an offer, invitation or advertisement is made or issued to the public or any section of the public in Singapore, regard shall be had to such considerations as the Authority may prescribe.

[23/2001]

(4) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(5) A person whose business it is to publish or to arrange for the publication of advertisements shall not be guilty of an offence under subsection (4) if he proves that —

(a) he received the advertisement for publication in the ordinary course of his business;

- (b) the matters contained in the advertisement were not, wholly or in part, devised or selected by him or by any person under his direction or control; and
- (c) he did not know and had no reason for believing that the publication of the advertisement would constitute an offence.

[23/2001]

(6) Without prejudice to section 76, subsection (1) shall not apply to —

- (a) any bank in Singapore;
- (b) any co-operative society registered under the Co-operative Societies Act (Cap. 62);
- (c) any finance company licensed under the Finance Companies Act (Cap. 108);
- (d) any merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
- (e) any person (other than a person referred to in paragraphs (a) to (d)) who is licensed, approved, authorised or otherwise empowered under any written law to accept deposits in Singapore in accordance with such law; and
- (f) such other person or class of persons as the Authority may prescribe and subject to such conditions as may be prescribed by the Authority.

[23/2001]

(7) The Authority may, by regulations, exempt any person or class of persons from subsection (2), subject to such conditions as may be prescribed.

[23/2001]

(8) The Authority may, on the application of any person, exempt him from subsection (1) or (2) if the Authority considers it appropriate to do so in the circumstances of the case.

[23/2001]

(9) The fact that a deposit has been taken in contravention of this section shall not affect any civil liability in respect of the deposit or the money deposited.

[23/2001]

Application of section 4A

4B.—(1) For the purposes of section 4A, “advertisement” means the dissemination or conveyance of information, or invitation or solicitation by any means or in any form, including by means of —

- (a) publication in a newspaper, magazine, journal or other periodical;
- (b) display of posters or notices;
- (c) circulars, handbills, brochures, pamphlets, books or other documents;
- (d) letters addressed to individuals or bodies;
- (e) photographs or cinematograph films; or
- (f) sound broadcasting, television, the Internet or other media.

[23/2001]

(2) An advertisement containing information which is intended or might reasonably be presumed to be intended to lead, directly or indirectly, to the making of a deposit shall be treated as an advertisement referred to in section 4A.

[23/2001]

(3) Notwithstanding subsections (1) and (2), an advertisement issued outside Singapore shall not be treated as an advertisement for the purposes of section 4A (2) if it is made available —

- (a) in a newspaper, magazine, journal or other periodical published and circulating principally outside Singapore;
- (b) in a sound or television broadcast transmitted principally for reception outside Singapore; or
- (c) by any other means of broadcasting or communication principally for circulation or reception outside Singapore.

[23/2001]

(4) Subject to the provisions of this section, for the purposes of section 4A, “deposit” means a sum of money paid on terms —

- (a) under which it will be repaid, with or without interest or a premium, or with any consideration in money or money’s worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and
- (b) which are not referable to the provision of property or services or to the giving of security.

[23/2001]

(5) For the purposes of subsection (4) (b), money is paid on terms which are referable to the provision of property or services or to the giving of security if, and only if —

- (a) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or

services, and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided;

- (b) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or
- (c) without prejudice to paragraph (b), it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise.

[23/2001]

(6) For the purposes of subsection (4), “deposit” does not include —

- (a) a sum paid by the Authority, any person referred to in section 4A (6) (a) to (d) or any insurer registered under the Insurance Act (Cap. 142);
- (b) a sum paid by any moneylender licensed under the Moneylenders Act (Cap. 188);
- (c) a sum paid by one company to another at a time when one is a subsidiary of the other or both are subsidiaries of another company, or the same individual controls more than half of the voting power or holds more than half of the issued share capital of both of them;
- (d) a sum paid by a person who, at the time when it is paid, is a close relative of the person receiving it or who is, or is a close relative of, a director, controller or manager of that person; and
- (e) a sum paid by such person or class of persons as may be prescribed.

[23/2001]

(7) Subject to the provisions of this section, for the purposes of section 4A, a business is a deposit-taking business if —

- (a) in the course of the business, money received by way of deposit is lent to others; or
- (b) any other activity of the business is financed, wholly or to any material extent, out of the capital of or the interest on money received by way of deposit.

[23/2001]

(8) Notwithstanding that subsection (7) (a) or (b) applies to a business, it is not a deposit-taking business if the person carrying on the business —

- (a) does not hold himself out as accepting deposits on a day to day basis; and
- (b) does not accept deposits on a day to day basis, whether or not involving the issue of debentures or securities.

[23/2001]

(9) For the purposes of subsection (7), all the activities which a person carries on by way of business shall be regarded as a single business carried on by him.

[23/2001]

(10) In this section —

“close relative”, in relation to a person, means the spouse or a parent, remoter lineal ancestor or step-parent or a son, daughter, remoter issue, step-son or step-daughter or a brother or sister, of the person;

“controller” means a 12% controller or 20% controller as defined in section 15B (3);

“debentures” has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

“securities” has the same meaning as in section 2 (1) of the Securities and Futures Act (Cap. 289).

[23/2001; 42/2001]

Examination of persons suspected of contravening section 4A and access to premises

4C.—(1) Whenever the Authority has reason to believe that a person has contravened or is contravening section 4A (1) or (2), the Authority shall at all times —

- (a) have full and free access to the premises at which that person is suspected of having committed or of committing the contravention, or at which that person may have books, accounts and records; and
- (b) have the power to examine, copy or take possession of the books, accounts and records of that person in order to ascertain whether or not that person has contravened or is contravening section 4A (1) or (2).

[23/2001]

(2) Any person who obstructs the Authority in the exercise of its powers under subsection (1) or fails without reasonable excuse to furnish such books, accounts or records in his possession as may be

required by the Authority, shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Use of word “bank”

5.—(1) No person or body of persons, whether incorporated or not, other than a bank shall, without the written consent of the Authority —

- (a) use the word “bank” or any of its derivatives in any language, or any other word indicating it transacts banking business, in the name, description or title under which the person or body of persons is transacting business in Singapore; or
- (b) make or continue to make any representation to that effect in any bill head, letter paper, notice, advertisement or in any other manner.

(2) Nothing in this section shall prohibit an association of banks formed for the protection of common interests from using the word “bank” or any of its derivatives in any language as a part of its name or description of its activities.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Use of bank name, etc.

5A.—(1) No person shall, without the prior approval of the Authority, in the course of any profession, vocation, trade or business, use any name, logo or trade mark in a manner which indicates or represents that the person or his trade or business is related to or associated with a bank incorporated in Singapore or any of its subsidiaries which carries on a business referred to in section 30 (1) (a), (b) or (c).

[23/2001]

(2) No bank incorporated in Singapore shall cause or knowingly permit any person (other than a related corporation of the bank which carries on any business referred to in section 30 (1) (a), (b) or (c) or the financial holding company of the bank) to use its name, logo or trade mark in the course of the person's profession, vocation, trade or business without the prior approval of the Authority.

[23/2001]

(3) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(4) This section shall not apply, in relation to any bank incorporated in Singapore or any subsidiary of the bank referred to in subsection (1), to —

- (a) any related corporation of the bank which carries on a business referred to in section 30 (1) (a), (b) or (c) or the financial holding company of the bank;
- (b) any officer or agent of the bank or of any of its subsidiaries which carries on a business referred to in section 30 (1) (a), (b) or (c), in the conduct of any duty or function in or for the bank or the subsidiary, as the case may be;
- (c) any person carrying on a business referred to in section 30 (1) (a), (b) or (c) pursuant to any agreement or arrangement with the bank; and

(d) such other person or class of persons as may be prescribed.
[23/2001]

(5) Nothing in this section shall prevent a person who lawfully uses any name, logo or trade mark in the manner referred to in subsection (1) before 18th July 2001* from continuing to use the name, logo or trade mark in such manner for a period of 3 years from 18th July 2001.

[23/2001]

Examination of persons suspected of transacting banking business and access to premises

6.—(1) Whenever the Authority has reason to believe that a person is transacting banking business without a licence, the Authority shall, at all times —

- (a) have full and free access to the premises at which that person is suspected of transacting banking business without a licence or at which that person may have books, accounts and records; and
- (b) have the power to examine, copy or take possession of the books, accounts and records of that person in order to ascertain whether or not that person has violated, or is violating, any of the provisions of this Act.

[2/84]

(2) Any refusal to allow full and free access to such premises or to submit such books, accounts and records shall be prima facie evidence of the fact of operation without a licence.

[2/84]

Application for licence

7.—(1) A company which desires authority to carry on banking business in Singapore shall apply in writing to the Authority for a licence under this section and shall supply —

- (a) a copy of the memorandum of association and articles of association or other instrument under which the company is incorporated, duly verified by a statutory declaration made by a senior officer of the company;
- (b) a copy of the latest balance-sheet of the company; and
- (c) such other information as may be called for by the Authority.

*Date of commencement of the Banking (Amendment) Act 2001 (Act 23 of 2001).

(2) Any person who knowingly or recklessly furnishes any document or information which is false or misleading in a material particular in connection with an application for a licence falling within subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

(b) in any other case, to a fine not exceeding \$250,000.

[2/84; 23/2001]

(3) Upon receiving an application under subsection (1), the Authority shall consider the application and may, subject to section 9 or 9A, as the case may be, grant a licence, with or without conditions, or refuse to grant a licence.

[23/2001]

(4) The Authority may at any time vary or revoke any existing conditions of a licence or impose conditions or additional conditions thereto.

(5) The Authority shall, prior to any action under subsection (4) —

(a) notify its intention to take that action to the bank concerned; and

(b) give the bank an opportunity to submit reasons why the conditions of its licence should not be so varied or revoked.

(6) Where a licence is subject to conditions, the bank shall comply with those conditions.

(7) Any bank which fails to comply with any of the conditions of its licence shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day during which the offence continues after conviction.

[2/84; 23/2001]

Licence fees

8.—(1) Every bank in Singapore shall pay such annual licence fee as the Authority may, by notification in the *Gazette*, prescribe.

(2) The Authority may prescribe different licence fees in respect of different classes or categories of banks and the fees shall apply uniformly to those classes or categories.

(3) The manner of payment of the licence fee shall be as specified by the Authority.

Minimum capital requirements

9.—(1) Subject to this Act, a bank shall not be granted or hold a licence unless —

- (a) in the case of a bank incorporated in Singapore which holds a licence to carry on banking business on 18th July 1996, its capital funds are subject to this section not less than \$1,500 million;
- (b) in the case of a bank incorporated in Singapore which is granted a licence to carry on banking business after 18th July 1996, its issued and paid-up capital is not less than \$1,500 million and its capital funds are not less than that amount;
- (c) in the case of a bank incorporated outside Singapore —
 - (i) its head office capital funds are not less than the equivalent of \$200 million; and
 - (ii) it holds net head office funds of not less than \$10 million in Singapore in respect of its business in Singapore at all times and not less than \$5 million of those net head office funds are in the form of assets approved by the Authority.

[28/93; 21/96; 23/2001]

(2) Notwithstanding subsection (1) (a), the Authority may, at any time after 18th July 2001, by order require the issued and paid-up capital of a bank to which that subsection applies to be not less than \$1,500 million within such time as may be specified in that order.

[28/93; 21/96]

(3) A bank incorporated outside Singapore which holds a licence to carry on banking business in Singapore on 8th October 1993 shall be exempt from subsection (1) (c) (i).

[23/2001]

(4) A bank to which subsection (1) (a) applies which has capital funds of less than \$1,500 million on 18th July 1996 shall be exempt from the requirement of that provision for a period of 5 years from that date, except that the bank shall not during that period allow its capital funds to be less than its capital funds on that date.

[28/93; 21/96]

(5) A bank whose issued and paid-up capital is at least 75% owned by another bank incorporated in Singapore with capital funds of

not less than \$1,500 million on 18th July 1996 may apply in writing to the Authority to extend the period of 5 years referred to in subsection (4); and the Authority may approve the application with or without conditions.

[28/93; 21/96]

(6) A bank incorporated in Singapore shall not reduce its paid-up capital during the currency of its licence without the approval of the Authority.

[28/93]

(7) Any bank which fails to comply with any requirement under subsection (1) shall immediately notify the Authority.

[23/2001]

(8) Where a bank fails to comply with any provision of this section, the Authority may, without prejudice to section 71, by notice in writing to the bank —

- (a) restrict or suspend the operations of the bank; or
- (b) give such directions to the bank as the Authority considers appropriate, and the bank shall comply with such directions.

[23/2001]

(9) In this section, “head office capital funds”, in relation to a bank incorporated outside Singapore, means the aggregate of its issued and paid-up capital (or its equivalent recognised by the Authority as applicable to the bank under the laws of the country or territory in which the bank is incorporated, formed or established) and its published reserves (excluding such reserves as the Authority may specify in writing), deduction having been made for any loss appearing in the accounts of the bank.

[23/2001]

Capital requirements for qualifying subsidiaries

9A.—(1) Notwithstanding section 9, a company incorporated in Singapore which is a qualifying subsidiary may be granted and hold a licence under section 7 or 11 if —

- (a) it is and continues to be a qualifying subsidiary; and
- (b) its issued and paid-up capital is not less than \$100 million.

[23/2001]

(2) A bank which is a qualifying subsidiary shall not, during the currency of its licence, reduce its paid-up capital without the approval of the Authority.

[23/2001]

(3) A bank which is a qualifying subsidiary shall, during the currency of its licence, maintain capital funds of not less than \$100 million unless the Authority approves otherwise.

[23/2001]

(4) The Authority may, in its discretion, on application by any bank, exempt that bank from subsection (1) (a) subject to such conditions as the Authority may impose, and in such event, the other provisions of this section shall continue to apply to that bank notwithstanding that it may no longer be a qualifying subsidiary.

[23/2001]

(5) Any bank which fails to comply with any requirement under subsection (1) shall immediately notify the Authority.

[23/2001]

(6) Where a bank fails to comply with any provision of this section or any condition imposed by the Authority under this section, the Authority may, without prejudice to section 71, by notice in writing to the bank —

(a) restrict or suspend the operations of the bank; or

(b) give such directions to the bank as it considers appropriate and the bank shall comply with such directions.

[23/2001]

Risk-based capital requirements

10.—(1) The Authority may, by notice in writing, require any bank in Singapore or class of banks in Singapore to maintain capital funds in Singapore of such amount (not being less than the minimum prescribed in section 9 or 9A, as the case may be) and in such manner as the Authority considers appropriate, having regard to the risks arising from the activities of the bank or class of banks, as the case may be, and such other factors as the Authority considers relevant.

[23/2001]

(2) A bank incorporated in Singapore shall not, at any time, have a capital adequacy ratio of less than 12%, or such other percentage as may be determined by the Authority from time to time, as calculated in accordance with such form, content and manner as may be determined by the Authority by notice in writing.

[28/93]

(3) The Authority may, if it considers appropriate in the particular circumstances of a bank incorporated in Singapore, having regard to the risks arising from the activities of the bank and such other factors

as the Authority considers relevant, vary the capital adequacy ratio applicable to that bank.

[23/2001]

(4) The Authority may suspend or restrict the operations of a bank which fails to comply with subsection (2) or (3) or any requirement of the Authority under subsection (1).

[28/93; 23/2001]

Foreign government-owned banks

11.—(1) A bank shall not be granted or hold a licence if the Authority is satisfied that —

(a) 50% or more of its issued and paid-up capital (or its equivalent recognised by the Authority as applicable to the bank under the laws of the country or territory in which the bank is incorporated, formed or established) is owned by or on behalf of the government of any country other than Singapore or of an agency of any such government; or

(b) all or a majority of the persons having the direction, control or management of the bank are appointed by or on behalf of any such government or agency.

[23/2001]

(2) Notwithstanding subsection (1) and section 9, the Authority may, in its discretion, grant a licence to any such bank for such period or periods not exceeding 12 months at any one time as the Authority may think fit, subject to such conditions as it may impose.

[23/2001]

Appeal to Minister

11A. Any applicant who is aggrieved by the refusal of the Authority to grant a licence under section 7 (3) or 11 may, within 30 days of the decision of the Authority, appeal in writing to the Minister whose decision shall be final and shall be given effect to by the Authority.

[28/93; 23/2001]

Branches

12.—(1) No bank shall open a new place of business or change the location of an existing place of business in Singapore without submitting a written application in respect thereof to the Authority which may —

(a) give its approval; or

(b) without assigning any reason, refuse to give its approval.

(2) No bank incorporated in Singapore shall open a new branch, agency or office in any place outside Singapore without submitting a written application in respect thereof to the Authority, which shall approve or reject the application.

(3) Any bank which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine of \$2,500 for every day during which the offence continues after conviction.

[2/84; 23/2001]

Fees to be paid in respect of branches of banks

13.—(1) The Authority may, from time to time by notification in the *Gazette*, specify the annual licence fees which banks in Singapore shall pay for each of their branches.

(2) The manner of payment shall be as specified by the Authority.

Mergers

14.—(1) A bank incorporated in Singapore shall not be merged or consolidated with, or be taken over by, any other body corporate or unincorporate without the prior written approval of the Minister.

[23/2001]

(2) In considering such an application, the Minister shall have power to call for such information as it may require.

[23/2001]

(3) Without prejudice to the generality of subsection (1), for the purposes of this section, a bank shall be deemed to be merged with a body corporate or unincorporate if the bank or its shareholders enter into any agreement or arrangement under which all or substantially all of the business of the bank is to be managed, and under which the shareholders of the bank will be accorded rights, as if the bank has been merged with such body corporate or unincorporate, as the case may be.

[23/2001]

Approval by Minister for merger of certain banks

14A.—(1) Subject to this section and section 14B, on the joint application of a bank and one or more banks which are wholly-owned subsidiaries of that bank, the Minister may approve the merger of those banks and issue a certificate of approval.

[28/93]

(2) The issue of a certificate of approval by the Minister under subsection (1) merges the banks that are parties to the merger agreement on which the application for the certificate of approval is based.

[28/93]

(3) Where a certificate of approval is issued under subsection (1) merging the banks, the merger shall for all purposes be deemed to have occurred and to be effective on the date mentioned in subsection (4).

[28/93]

(4) A certificate of approval issued under subsection (1) shall have no force or effect until a copy of the certificate and the merger agreement on which it is issued is lodged with the Registrar of Companies, and upon being so lodged the certificate shall take effect on and from the date of lodgment.

[28/93]

(5) No application to the Minister for a certificate of approval merging 2 or more banks may be made under subsection (1) unless —

- (a) the merger is between a bank and one or more banks which are wholly owned subsidiaries of that bank;
- (b) the banks proposing to merge have entered into a merger agreement; and
- (c) the application for the certificate of approval is made within 2 weeks from the date of execution of the merger agreement referred to in paragraph (b).

[28/93; 23/2001]

(6) Where a certificate of approval is issued under subsection (1) merging the banks, those banks shall publish a notice of the approval of the merger at least once in a local Malay, English, Chinese and Tamil language daily newspaper within one week from the date of the certificate of approval.

[28/93]

(7) For the avoidance of doubt, it is hereby declared that sections 210 and 212 of the Companies Act (Cap. 50) shall not apply to the banks which have jointly applied for a certificate of approval under subsection (1).

[28/93]

Condition for issue of certificate of approval

14B.—(1) The Minister shall not issue a certificate of approval under section 14A unless the application thereof is supported by

satisfactory evidence that the applicants have complied with the requirements of that section in relation to the merger.

[28/93]

(2) Nothing in this Act shall be construed as precluding the Minister from refusing to issue or approve the issue of any certificate of approval under section 14A and any decision of the Minister under that section shall be final and shall not be called in question in any court.

[28/93]

Effect of merger

14C. As from the date mentioned in section 14A (4), the provisions set out in the Second Schedule shall have effect and shall apply to the banks that are parties to the merger agreement on which a certificate of approval is issued under section 14A (1).

[28/93]

Application and interpretation of sections 15A to 18

15.—(1) This section and sections 15A to 18 shall apply to, and in relation to, all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

[23/2001]

(2) In sections 15A to 18, unless the context otherwise requires —

“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“designated financial institution” means —

- (a) a bank incorporated in Singapore; or
- (b) a financial holding company;

“share” includes stock except where a distinction between stock and shares is expressed or implied;

“substantial shareholder” has the same meaning as in section 81 of the Companies Act (Cap. 50);

“voting share” has the same meaning as in section 4 (1) of the Companies Act.

[23/2001]

Control of substantial shareholdings in designated financial institutions

15A.—(1) No person shall, on or after 18th July 2001*, become a substantial shareholder of a designated financial institution without first obtaining the approval of the Minister.

[23/2001]

(2) Subject to section 15C (4), no person who, immediately before 18th July 2001, is a substantial shareholder of a designated financial institution shall continue to be such a shareholder unless he has, within 6 months after 18th July 2001 or such longer period as the Minister may allow, applied to the Minister for approval to continue to be such a shareholder.

[23/2001]

(3) No person shall, on or after 18th July 2001, enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of 5% or more of the nominal amount of all voting shares in a designated financial institution, without first obtaining the approval of the Minister.

[23/2001]

(4) Subject to section 15C (4), no person who, at any time before 18th July 2001, has entered into any agreement or arrangement referred to in subsection (3) shall continue to be a party to such an agreement or arrangement unless he has, within 6 months after 18th July 2001 or such longer period as the Minister may allow, applied to the Minister for approval to continue to be a party to such an agreement or arrangement.

[23/2001]

(5) For the purposes of this section, a person has an interest in any share if —

- (a) he is deemed to have an interest in that share under section 7 of the Companies Act (Cap. 50); or
- (b) he otherwise has a legal or an equitable interest in that share except for such interest as is to be disregarded under section 7 of the Companies Act.

[23/2001]

*Date of commencement of the Banking (Amendment) Act 2001 (Act 23 of 2001).

Control of shareholdings and voting power in designated financial institutions

15B.—(1) No person shall, on or after 18th July 2001, become —

- (a) a 12% controller;
- (b) a 20% controller; or
- (c) an indirect controller,

of a designated financial institution without first obtaining the approval of the Minister.

[23/2001]

(2) Subject to section 15C (4), no person who, immediately before 18th July 2001, is —

- (a) a 12% controller;
- (b) a 20% controller; or
- (c) an indirect controller,

of a designated financial institution shall continue to be such a controller unless he has, within 6 months after 18th July 2001 or such longer period as the Minister may allow, applied to the Minister for approval to continue to be such a controller.

[23/2001]

(3) In subsections (1) (a) and (b) and (2) (a) and (b) —

“12% controller” means a person, not being a 20% controller, who alone or together with his associates —

- (a) holds not less than 12% of the shares in the designated financial institution; or
- (b) is in a position to control voting power of not less than 12% in the designated financial institution;

“20% controller” means a person who, alone or together with his associates —

- (a) holds not less than 20% of the shares in the designated financial institution; or
- (b) is in a position to control voting power of not less than 20% in the designated financial institution.

[23/2001]

(4) For the purposes of subsection (3) —

- (a) a person holds a share if —

- (i) he is deemed to have an interest in that share under section 7 (6) to (10) of the Companies Act (Cap. 50); or
 - (ii) he otherwise has a legal or an equitable interest in that share except for such interest as is to be disregarded under section 7 (6) to (10) of the Companies Act;
- (b) a reference to the control of a percentage of the voting power in a designated financial institution is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting of the designated financial institution; and
- (c) a person, *A*, is an associate of another person, *B*, if —
 - (i) *A* is the spouse or a parent, remoter lineal ancestor or step-parent or a son, daughter, remoter issue, step-son or step-daughter or a brother or sister, of *B*;
 - (ii) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*, or where *B* is a corporation, of the directors of *B*;
 - (iii) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A*, or where *A* is a corporation, of the directors of *A*;
 - (iv) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;
 - (v) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A*;
 - (vi) *A* is a related corporation of *B*;
 - (vii) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *A*;

- (viii) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (ii) to (vi), is in a position to control not less than 20% of the voting power in *B*; or
- (ix) *A* is a person with whom *B* has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their voting power in relation to, the designated financial institution.

[23/2001]

(5) In subsections (1) (c) and (2) (c), “indirect controller” means any person, whether acting alone or together with any other person, and whether with or without holding shares or controlling voting power in a designated financial institution —

- (a) in accordance with whose directions, instructions or wishes the directors of the designated financial institution are accustomed or under an obligation, whether formal or informal, to act; or
- (b) who is in a position to determine the policy of the designated financial institution,

but does not include any person —

- (i) who is a director or other officer of the designated financial institution whose appointment has been approved by the Authority; or
- (ii) in accordance with whose directions, instructions or wishes the directors of the designated financial institution are accustomed to act by reason only that they act on advice given by him in his professional capacity.

[23/2001]

Approval of applications

15C.—(1) The Minister may, in his discretion, approve an application made by any person under section 15A or 15B if the Minister is satisfied that —

- (a) the person is a fit and proper person;
- (b) having regard to the person’s likely influence, the designated financial institution will or will continue to conduct its

business prudently and comply with the provisions of this Act and notices made thereunder; and

(c) it is in the national interest to do so.

[23/2001]

(2) Any approval under this section may be granted to any person subject to such conditions as the Minister may determine, including but not limited to any condition —

(a) restricting the person's disposal or further acquisition of shares or voting power in the designated financial institution; or

(b) restricting the person's exercise of voting power in the designated financial institution.

[23/2001]

(3) Any condition imposed under subsection (2) shall have effect notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the designated financial institution.

[23/2001]

(4) Where the Minister disapproves an application made by any person under section 15A (2) or (4) or 15B (2), the person shall, within such time as the Minister may specify, take such steps as are necessary —

(a) in the case of section 15A (2), to cease to be a substantial shareholder;

(b) in the case of section 15A (4), to cease to be a party to the agreement or arrangement; or

(c) in the case of section 15B (2), to cease to be —

(i) a 12% controller;

(ii) a 20% controller; or

(iii) an indirect controller,

as the case may be.

[23/2001]

(5) Notwithstanding the repeal of sections 15, 16 and 17 in force immediately before 18th July 2001, the following approvals granted by the Authority before that date shall continue and be deemed to be approvals granted by the Minister under this section, subject to such additional conditions as the Minister may at any time by notice in writing, impose:

(a) any approval or condition imposed in relation thereto under the repealed section 15 (2) shall be deemed to be an

approval granted or condition imposed under this section as if an application for approval had been made under section 15B (2) (b);

- (b) any approval or condition imposed in relation thereto under the repealed section 16 (1) shall be deemed to be an approval granted or condition imposed under this section as if an application for approval had been made under section 15B (2) (c); or
- (c) any approval or condition imposed in relation thereto under the repealed section 17 (1) shall be deemed to be an approval granted or condition imposed under this section as if an application for approval had been made under section 15A (2).

[23/2001]

Power to exempt and make further transitional provisions

15D. The Minister may, by order published in the *Gazette* —

(a) exempt —

(i) any person or class of persons; or

(ii) any class or description of shares or interests in shares,

from section 15A or 15B, subject to such terms and conditions as may be specified in the order; and

- (b) make such further transitional provisions as he considers necessary or expedient for the purposes of section 15A, 15B or 15C.

[23/2001]

Objection to existing control of designated financial institutions

15E.—(1) The Minister may serve a written notice of objection on any person referred to in section 15A or 15B if the Minister is satisfied that —

- (a) any condition of approval imposed on the person under section 15C (2) or (5) has not been complied with;
- (b) the person ceases to be a fit and proper person;
- (c) having regard to the person's likely influence, the designated financial institution is no longer likely to conduct its business prudently or to comply with the provisions of this Act and notices made thereunder;

- (d) it is no longer in the national interest to allow the person to continue to be a party to the agreement or arrangement described in section 15A (3) or (4), or to continue to be a substantial shareholder, a 12% controller, a 20% controller or an indirect controller, as the case may be;
- (e) the person has furnished false or misleading information or documents in connection with an application under section 15A or 15B; or
- (f) he would not have granted his approval under section 15C had he been aware, at that time, of circumstances relevant to the person's application for such approval.

[23/2001]

(2) Before the service of a written notice of objection, the Minister shall, unless he decides that it is not practicable or desirable to do so, cause to be given to the person concerned notice in writing of his intention to serve the written notice of objection, specifying a date by which the person may make written representations with regard to the proposed written notice of objection.

[23/2001]

(3) Upon receipt of any written representations, the Minister shall consider them for the purpose of determining whether to issue a written notice of objection.

[23/2001]

(4) The Minister shall, in any written notice of objection, specify a reasonable period within which the person to be served the written notice of objection shall —

- (a) take such steps as are necessary to ensure that he ceases to be a party to the agreement or arrangement described in section 15A (3) or (4), or ceases to be a substantial shareholder, a 12% controller, a 20% controller or an indirect controller as defined in section 15B (3) and (5), as the case may be; or
- (b) comply with such direction or directions as the Minister may make under section 16.

[23/2001]

(5) Any person served with a notice of objection under this section shall comply with the notice.

[23/2001]

Power to make directions

16.—(1) Without prejudice to section 17, if the Minister is satisfied that any person has contravened section 15A, 15B, 15C (4) or 15E (5) or has failed to comply with any condition imposed under section 15C (2) or (5), or if the Minister has served a written notice of objection under section 15E, the Minister may, by notice in writing —

- (a) direct the transfer or disposal of all or any of the shares in the designated financial institution held by the person or any of his associates (referred to in this section as the specified shares) within such time or subject to such conditions as the Minister considers appropriate;
- (b) restrict the transfer or disposal of the specified shares; or
- (c) make such other direction as the Minister considers appropriate.

[23/2001]

(2) Any person to whom a notice is given under subsection (1) shall comply with such direction or directions as may be specified in the notice.

[23/2001]

(3) In the case of any direction made under subsection (1) (a) or (b), until a transfer or disposal is effected in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be, notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the designated financial institution —

- (a) no voting rights shall be exercisable in respect of the specified shares unless the Minister expressly permits such rights to be exercised;
- (b) no shares of the designated financial institution shall be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares unless the Minister expressly permits such issue or offer; and
- (c) except in a liquidation of the designated financial institution, no payment shall be made by the designated financial institution of any amount (whether by way of dividends or otherwise) in respect of the specified shares unless the Minister expressly authorises such payment.

[23/2001]

(4) In this section, “associate” has the same meaning as in section 15B (4) (c).

[23/2001]

Offences, penalties and defences

17.—(1) Any person who contravenes section 15A, 15B (1) (a) or (2) (a) or 15C (4) (a), (b) or (c) (i) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(2) Any person who contravenes section 15B (1) (b) or (c), (2) (b) or (c), 15C (4) (c) (ii) or (iii), 15E (5) or 16 (2), or who fails to comply with any condition imposed under section 15C (2) or (5), shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(3) Where a person is charged with an offence in respect of a contravention of section 15A or 15B, it shall be a defence for the person to prove that —

(a) he was not aware that he had contravened section 15A or 15B, as the case may be; and

(b) he has, within 14 days of becoming aware that he had contravened section 15A or 15B, as the case may be, notified the Minister of the contravention and, within such time as determined by the Minister, taken such actions in relation to

his shareholding or control of the voting power in the designated financial institution as the Minister may direct.

[23/2001]

(4) Where a person is charged with an offence in respect of a contravention of section 15B (1), it shall also be a defence for the person to prove that, even though he was aware of the contravention —

- (a) the contravention occurred as a result of an increase in the shareholding as described in section 15B (4) (a) of, or in the voting power controlled by, any of his associates described in section 15B (4) (c) (i);
- (b) he has no agreement or arrangement, whether oral or in writing and whether express or implied, with that associate with respect to the acquisition, holding or disposal of shares or other interests in, or under which they act together in exercising their voting power in relation to, the designated financial institution; and
- (c) he has, within 14 days of the date of the contravention, notified the Minister of the contravention and, within such time as may be determined by the Minister, taken such action in relation to his shareholding or control of the voting power in the designated financial institution as the Minister may direct.

[23/2001]

(5) Except as provided in subsections (3) and (4), it shall not be a defence for a person charged with an offence in respect of a contravention of section 15A or 15B to prove that he did not intend to or did not knowingly contravene section 15A or 15B, as the case may be.

[23/2001]

Power of Authority to obtain information

18.—(1) The Authority may, by notice in writing, direct any designated financial institution to obtain from any of its shareholders and to transmit to the Authority information —

- (a) as to whether that shareholder holds any share in the designated financial institution as beneficial owner or as trustee; and
- (b) if he holds the share as trustee, to indicate as far as he can, the person for whom he holds the share (either by name or by other particulars sufficient to enable that person to be identified) and the nature of his interest,

and the designated financial institution shall comply with that direction within such time as may be specified in the notice.

[23/2001]

(2) The Authority may, by notice in writing, require any shareholder of a designated financial institution, or any person who appears from information provided to the Authority under subsection (1) or this subsection to have an interest in any share in a designated financial institution, to inform the Authority —

- (a) whether he holds that interest as beneficial owner or as trustee, and if he holds the interest as trustee, to indicate so far as he can, the person for whom he holds the interest (either by name or by other particulars sufficient to enable that person to be identified) and the nature of his interest; or
- (b) whether any share or any voting right attached to the share is the subject of an agreement or arrangement described in section 15A (3) or (4) or 15B (4) (c) (ix), and if so, to give particulars of the agreement or arrangement and the parties to it,

and the person shall comply with that notice within such time as may be specified therein.

[23/2001]

(3) Any person who —

- (a) fails to comply with a notice under this section; or
- (b) in purported compliance of the notice, knowingly or recklessly makes a statement which is false in a material particular,

shall be guilty of an offence.

[23/2001]

(4) Any person convicted of an offence under this section shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Amendment of bank's constitution

19.—(1) Every bank incorporated in Singapore shall, prior to the making of any amendment or alteration in the memorandum of association and articles of association or other instrument under which it is incorporated, furnish to the Authority particulars in writing of the proposed amendment.

(2) Every bank whether incorporated inside or outside Singapore shall, within 3 months after the making of any alteration in the memorandum of association and articles of association or other instrument under which it is incorporated, furnish to the Authority particulars in writing (verified by a statutory declaration made by a senior officer of the bank) of the alteration.

(3) Any bank which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine of \$2,500 for every day during which the offence continues after conviction.

[2/84; 23/2001]

Revocation of licence

20.—(1) The Authority may by order revoke a licence issued under this Act —

(a) if the Authority is satisfied that the bank holding that licence —

- (i) has ceased to transact banking business in Singapore;
- (ii) has furnished information or documents to the Authority in connection with its application for a licence which is or are false or misleading in a material particular;
- (iii) if it is a bank incorporated outside Singapore, has had its licence or authority to operate withdrawn by the supervisory authority which is responsible, under the laws of the country or territory where the bank is incorporated, formed or established, for supervising the bank;
- (iv) proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved;

- (v) is carrying on its business in a manner likely to be detrimental to the interests of the depositors of the bank or has insufficient assets to cover its liabilities to its depositors or the public;
 - (vi) is contravening the provisions of this Act; or
 - (vii) has been convicted of any offence under this Act or any of its directors or officers holding a managerial or executive position has been convicted of any offence under this Act; or
- (b) if, upon taking action under section 49 (2), the Authority considers that it is in the public interest to revoke the licence.
- [2/84; 23/2001]*
- (2) The Authority shall before revoking any licence under subsection (1) —
- (a) cause to be given to the bank concerned notice in writing of its intention to do so, specifying a date, not less than 21 days after the date of the notice, upon which the revocation will take effect; and
 - (b) call upon the bank to show cause to the Authority why the licence should not be revoked.
- (3) When the Authority has revoked a licence under subsection (1), the Authority shall immediately inform the bank of the revocation.
- (4) Any bank whose licence has been revoked under this section shall have a right of appeal to the High Court against the order of revocation.
- (5) An order of revocation made by the Authority shall not take effect until the expiration of a period of 21 days after the Authority has informed the bank of the order.
- (6) If within that period the bank concerned gives due notice of appeal to the High Court, the order shall not take effect unless the order is confirmed by the Court or the appeal is for any reason dismissed by that Court.
- (7) The making of an appeal by a bank under this section shall in no way affect the exercise of the powers of the Authority in relation to that bank under sections 49, 50, 51, 52 and 53.

Effect of revocation of licence

21.—(1) Where an order of revocation becomes effective under section 20 —

- (a) notice of the revocation shall be published in the *Gazette*; and
- (b) the bank shall, as from the date of the notice, cease to transact any banking business in Singapore except as may be approved by the Authority for the purpose of winding up its banking business.

(2) Subsection (1) (b) shall not prejudice the enforcement by any person of any right or claim against the bank or by the bank of any right or claim against any person.

PART IV**RESERVE FUNDS, DIVIDENDS,
BALANCE-SHEETS AND INFORMATION****Maintenance of reserve fund**

22.—(1) Every bank in Singapore shall —

- (a) maintain a reserve fund; and
- (b) transfer to that reserve fund out of the net profits of each year, after due provision has been made for taxation —
 - (i) so long as the amount of the reserve fund is less than 50% of the paid-up capital, a sum not less than 50% of those net profits;
 - (ii) so long as the amount of the reserve fund is 50% or more but less than 100% of the paid-up capital, a sum not less than 25% of those net profits; and
 - (iii) so long as the amount of the reserve fund is 100% or more of the paid-up capital, a sum not less than 5% of those net profits.

[23/2001]

(2) If the Authority is satisfied that the aggregate reserve fund of a bank incorporated outside Singapore is adequate for its business, the Authority may, by order in writing, exempt that bank from subsection (1).

[23/2001]

(3) Any bank which fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day during which the offence continues after conviction.

[2/84; 23/2001]

(4) In this section, any reference to “paid-up capital” in relation to a bank incorporated outside Singapore shall include its equivalent recognised by the Authority as applicable to the bank under the laws of the country or territory in which the bank is incorporated, formed or established.

[23/2001]

Maintenance of adequate provision for bad and doubtful debts

23. Every bank in Singapore shall make provision for bad and doubtful debts and before any profit or loss is declared ensure that that provision is adequate.

[23/2001]

Dividends

24. (*Repealed by Act 23 of 2001*)

Publication and exhibition of audited balance-sheet

25.—(1) Every bank shall exhibit in a conspicuous position in each of its offices and branches in Singapore —

- (a) a copy of its latest audited annual balance-sheet and profit and loss account, together with any notes thereon, and a copy of the report of the auditors, except that in the case of a bank incorporated outside Singapore, those statements may be made in a manner that complies with the law for the time being applicable in the place of its incorporation or origin;
- (b) the full and correct names of all persons who are directors for the time being of the bank; and
- (c) the names of all subsidiary companies for the time being of the bank.

[28/93]

(2) Every bank shall, within 5 months after the close of each financial year or within such period as the Authority may approve, publish in such newspaper or newspapers as may be prescribed by regulations a copy of its latest audited annual balance-sheet and profit

and loss account containing at least such information as the Authority may require by notice in writing.

[23/2001]

(3) In the case of a bank incorporated outside Singapore the statements referred to in subsection (2) may be made in a manner that complies with the law for the time being applicable in the place of its incorporation or origin.

[28/93]

(4) The Authority may, by notice in writing, require a bank to publish in addition to its balance-sheet and profit and loss account under subsection (2) such additional information relating to the accounts of that bank for any financial year as the Authority thinks fit.

[28/93]

(5) Any bank which fails to comply with this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine of \$2,500 for every day during which the offence continues after conviction.

[2/84; 23/2001]

Information to be furnished by banks

26.—(1) Every bank shall furnish to the Authority such information (including returns) at such time and in such manner as the Authority may reasonably require for the proper discharge of its functions.

[23/2001]

(2)* Every bank shall send to the Authority —

(a) not later than 3 months after the close of its financial year or within such longer period as the Authority may on application of the bank approve —

- (i) a copy of its latest audited annual balance-sheet and profit and loss account together with any notes thereon;
- (ii) a copy of the report of the auditors of the bank;
- (iii) a copy of the report of the directors of the bank;
- (iv) a duly audited balance-sheet showing its assets used in, and liabilities arising out of, its operation in,

*The former subsections (2) and (3) of section 26 are omitted from the 2003 Ed., being obsolete by virtue of MAS Notice 610 to Banks issued by the Authority under section 26 (1).

Singapore as at the date to which its balance-sheet was made up; and

- (v) a duly audited profit and loss account which gives a true and fair view of the profit or loss arising out of the bank's operation in Singapore for its last preceding financial year;
- (b) in the case of a bank incorporated in Singapore, within such period as the Authority may require, its interim profit and loss account for every half-year or such other intervals as may be determined by the Authority; and
- (c) within such period and in such manner as the Authority may require, such further or additional information as the Authority may consider necessary either by way of explanation, amplification or otherwise with regard to any of the balance-sheets and profit and loss accounts sent under paragraph (a) or (b).

[23/2001]

(3)* In the case of a bank incorporated outside Singapore, the statements referred to in subsection (2) (a) (i), (ii) and (iii) may be made in a manner that complies with the law for the time being applicable in the place of its incorporation, formation or establishment.

[23/2001]

(4) The Authority may, in its discretion, regard the balance-sheet and profit and loss account as having been duly audited for the purpose of subsection (2) (a) (iv) and (v) if the balance-sheet and profit and loss account are accompanied by a report by an approved company auditor which complies, insofar as it is practicable, with section 207 of the Companies Act (Cap. 50).

[23/2001]

(5) The Authority may require any statement submitted to it under subsection (1) to be accompanied by a certificate —

- (a) of the auditor appointed by the bank under section 58 (1); or
- (b) of any other auditor appointed by the Authority under section 58 (3),

as to whether in the opinion of the auditor, the statement or information is correct.

*The former subsections (2) and (3) of section 26 are omitted from the 2003 Ed., being obsolete by virtue of MAS Notice 610 to Banks issued by the Authority under section 26 (1).

(6) Any information received from a bank under this section shall be treated as secret by the Authority.

[23/2001]

(7) Nothing in this section shall prevent the Authority from preparing and publishing consolidated statements aggregating such information as may be furnished under this section.

[28/93]

(8) Any bank which fails or neglects to furnish any information required by the Authority under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day during which the offence continues after conviction.

[2/84;28/93; 23/2001]

Action to be taken if advances are against interests of depositors

27.—(1) Every bank in Singapore shall send to the Authority not later than 15 days after the last day of each month a statement in the form to be prescribed by the Authority showing particulars of all advances, loans or credit facilities granted by it to —

- (a) any of its directors;
- (b) any firm in which the bank or any of its directors is a partner, manager or agent, or to any individual or firm of whom or of which any of its directors is a guarantor;
- (c) any related corporation of the bank;
- (d) any of its officers, employees or other persons being persons receiving remuneration from the bank in excess of one year's remuneration of the officer, employee or person;
- (e) any private or public company in which the bank or any of its directors, officers, employees or other persons who receive remuneration from the bank has an interest as a director, manager, agent or guarantor; or
- (f) any individual in whom, and any firm or company in which, any of its directors has an interest, directly or indirectly, as declared under section 28 other than the advances, loans and credit facilities, particulars of which have already been supplied under paragraphs (a) to (e).

[23/2001]

(2) If, on examination of the particulars supplied by a bank under subsection (1), it appears to the Authority that any such advances, loans or credit facilities are being granted to the detriment of the interests of the depositors of that bank, the Authority may by order in writing —

- (a) prohibit that bank from granting any further advances, loans or credit facilities or impose such restrictions on the grant thereof as the Authority thinks fit; and
- (b) direct that bank to secure repayment of any such first-mentioned advances, loans or credit facilities within such time and to such extent as may be specified in the order.

(3) In this section, “director” includes the wife, husband, father, mother, son or daughter of a director.

[28/93]

Disclosure of interest by directors

28.—(1) Every director of a bank in Singapore who has in any manner, directly or indirectly, an interest in an advance, loan or credit facility or proposed advance, loan or credit facility from that bank shall as soon as practicable declare the nature of his interest to the board of directors of that bank and the secretary of that bank shall cause the declaration to be circulated immediately to all the directors.

[23/2001]

(2) The requirements of subsection (1) shall not apply in any case where the interest of the director consists only of being a member or creditor of a company which is interested in an advance, loan or credit facility or proposed advance, loan or credit facility from that bank if the interest of the director may properly be regarded as of a trivial nature.

(3) For the purposes of subsection (1), a general notice given to the board of directors of a bank by a director to the effect that he is an officer or member of a specified company or a member of a specified firm and he is to be regarded as having an interest in any advance, loan or credit facility which may, after the date of the notice, be made to that company or firm shall be deemed to be a sufficient declaration of interest in relation to any advance, loan or credit facility so made if —

- (a) it specifies the nature and extent of his interest in the particular company or firm;

- (b) his interest is not different in nature or greater in extent than the nature and extent so specified in the notice at the time any advance, loan or credit facility is made; and
- (c) it is given at the meeting of the directors or the director takes reasonable steps to ensure that it is brought up and read at the next meeting of the directors after it is given.

(4) Every director of a bank in Singapore who holds any office or possesses any property whereby, directly or indirectly, duties or interest might be created in conflict with his duties or interest as director shall declare at a meeting of the directors of that bank the fact and the nature, character and extent of the conflict.

[23/2001]

(5) The declaration referred to in subsection (4) shall be made at the first meeting of the directors held —

- (a) after he becomes a director of the bank; or
- (b) if already a director, after he commences to hold the office or to possess the property, as the case may be.

(6) The secretary of that bank shall —

- (a) cause to be brought up and read any declaration made under subsection (1) or (4) at the next meeting of the directors after it is given; and
- (b) record any declaration made under this section in the minutes of the meeting at which it was made or at which it was brought up and read.

(7) Any director who acts in contravention of subsection (1) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[2/84; 23/2001]

PART V

PROHIBITED BUSINESS

Credit facilities and limits

29.—(1) Subject to subsection (3), a bank in Singapore shall not —

- (a) grant or permit to be outstanding to any one person or to any group of persons under the control or influence of any one person, any credit facilities if the aggregate amount of

such credit facilities exceeds 25% of its capital funds or such other percentage not exceeding 100% of its capital funds as the Authority may approve;

- (b) grant substantial loans which in the aggregate exceeds 50% of its total credit facilities or such other percentage as the Authority may determine;
- (c) grant any credit facility against the security of its own shares;
- (d) grant, directly or indirectly, unsecured credit facilities which in the aggregate and outstanding at any one time exceed the sum of \$5,000 —
 - (i) to any of its directors, whether those credit facilities are obtained by its directors jointly or severally;
 - (ii) to a firm in which the bank or any of its directors has an interest as a partner, manager or agent, or to any individual or firm of whom or of which any of its directors is a guarantor;
 - (iii) to a company in which any of its directors, whether legally or beneficially, owns more than 50% of the issued capital or in which any of its directors controls the composition of the board of directors, but excluding public companies the securities of which are listed on any securities exchange approved under the Securities and Futures Act (Cap. 289) or such other securities exchange which the Authority may approve, and the subsidiaries of such public companies; or
 - (iv) to any corporation, other than a bank, that is a related corporation of the bank;
- (e) grant to any of its officers (other than a director) or its employees or other persons, being persons receiving remuneration from the bank (other than any persons receiving remuneration from a bank in respect of their professional services) unsecured credit facilities which in the aggregate and outstanding at any one time exceed one year's emoluments of that officer or employee or person.

[28/93; 23/2001; 42/2001]

(2) Subsection (1) (a) and (b) shall not apply to —

- (a) transactions with the Government;
- (b) transactions between banks;

- (c) the purchase of telegraphic transfers or loans or advances made against telegraphic transfers;
- (d) any facilities granted against letters of credit or bills or guarantees or documents in respect of imports into or exports from Singapore; or
- (e) any other type of transactions which the Authority may from time to time approve.

(3) Subsection (1) (b) shall not apply to a bank in Singapore whose total Singapore dollar credit facilities to its customers, excluding banks, do not exceed \$100 million.

[28/93; 23/2001]

(4) All the directors of a bank in Singapore shall be liable jointly and severally to indemnify the bank against any loss arising from the making of any unsecured credit facility or any credit facility which subsequently becomes an unsecured credit facility under subsection (1) (d) whether the bank has contravened that provision or not.

[28/93; 23/2001]

(5) In this section —

- (a) “substantial loan” means any credit facility granted by a bank to a single person or to any group of persons under the control or influence of a single person which in the aggregate exceeds 15% of the bank’s capital funds;
- (b) the reference to “director” in subsection (1) (d) includes the wife, husband, father, mother, son or daughter of a director;
- (c) the composition of a company’s board of directors referred to in subsection (1) (d) (iii) shall be deemed to be controlled by a director of a bank if he by the exercise of some power exercisable by him without the consent or concurrence of any other person can appoint or remove all or a majority of the directors of that company; and
- (d) “unsecured credit facilities” means credit facilities given without security, or in respect of any credit facility given with security, any part thereof which at any time exceeds the market value of the assets constituting that security, or where the Authority is satisfied that there is no established market value, on the basis of a valuation approved by it.

[28/93]

Non-financial businesses

30.—(1) No bank in Singapore shall carry on, or enter into any partnership, joint venture or other arrangement with any person to carry on, whether in Singapore or elsewhere, any business except for the following:

- (a) banking business;
- (b) any business the conduct of which is regulated or authorised by the Authority under any other written law;
- (c) any business which is incidental to the business which the bank may carry on under paragraph (a) or (b);
- (d) any business or class of business as the Authority may prescribe, subject to such conditions as may be prescribed; or
- (e) any other business as the Authority may approve for the purposes of this section, subject to such conditions as the Authority may impose.

[23/2001]

(2) Nothing in this section shall —

- (a) prevent a bank from holding any equity investment in a company in accordance with section 31; or
- (b) be construed as exempting a bank from any requirement which, apart from this section, the bank is required to comply with under any written law for the conduct of any business.

[23/2001]

(3) Any bank which contravenes this section or fails to comply with any condition imposed or prescribed under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Limit on equity investments

31.—(1) No bank in Singapore shall acquire or hold any equity investment in a single company, the value of which exceeds in the aggregate 2% of the capital funds of the bank or such other percentage as the Authority may prescribe.

[23/2001]

(2) This section shall not apply to —

- (a) any interest held by way of security for the purposes of a transaction entered into in the ordinary course of the business of the bank in Singapore;
- (b) any shareholding or interest acquired or held by a bank in Singapore in the course of satisfaction of debts due to it which is disposed of at the earliest suitable opportunity; or
- (c) any major stake approved under section 32.

[23/2001]

(3) The Authority may, by regulations —

- (a) exempt any bank from subsection (1) in respect of any investment;
- (b) provide for the manner of valuation of investments for the purposes of compliance with this section; and
- (c) exclude the operation of this section in respect of any investment or class of investments which may be held by any bank, subject to such conditions as may be prescribed.

[23/2001]

(4) Any bank which contravenes this section or fails to comply with any condition imposed or prescribed under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(5) In this section, “equity investment” means any beneficial interest in the share capital of a company.

[23/2001]

(6) The Authority may, by order published in the *Gazette*, modify the definition of “equity investment” in subsection (5).

[23/2001]

Investments in companies undertaking non-financial businesses

32.—(1) No bank in Singapore shall acquire or hold a major stake in any company without the prior approval of the Authority.

[23/2001]

(2) The Authority shall not ordinarily grant its approval under subsection (1) if the company carries on, whether as its principal business or otherwise, any prohibited business.

[23/2001]

(3) Notwithstanding subsection (2), the Authority may, in the circumstances of a particular case, grant its approval for a bank in Singapore to acquire or hold a major stake in a company which carries on any prohibited business, subject to such conditions as it may impose.

[23/2001]

(4) This section shall not apply to —

- (a) any interest held by way of security for the purposes of a transaction entered into in the ordinary course of the business of the bank in Singapore; and
- (b) any shareholding or interest acquired or held by a bank in Singapore in the course of satisfaction of debts due to it which is disposed of at the earliest suitable opportunity.

[23/2001]

(5) The Authority may, by regulations —

- (a) exclude the operation of this section in respect of any company or class of companies, subject to such conditions as may be prescribed; and
- (b) provide for the manner of computation of major stakes.

[23/2001]

(6) Any bank which contravenes this section or fails to comply with any condition imposed or prescribed under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

(7) In this section —

“major stake” means —

- (a) any beneficial interest exceeding 10% in the share capital of a company;
- (b) control over more than 10% of the voting power in a company; or
- (c) any interest in a company, where the directors of the company are accustomed or under an obligation, whether formal or informal, to act in accordance with the bank’s directions, instructions or wishes, or where the bank is in a position to determine the policy of the company;

“prohibited business” means any business other than the businesses referred to in section 30 (1) (a) to (d).

[23/2001]

(8) This section shall not affect any acquisition or holding of a major stake which was approved by the Authority before 18th July 2001.*

[23/2001]

Immovable property

33.—(1) No bank in Singapore shall hold or acquire interests in or rights over immovable property, wherever situated, the value of which exceeds in the aggregate 20% of the capital funds of the bank or such other percentage as the Authority may prescribe.

[23/2001]

(2) For the purposes of determining the aggregate value of the interest in or right over immovable property referred to in subsection (1), there shall be excluded such portion of the value as may be attributable to the following:

- (a) any interest in or right over immovable property or any part thereof used for the purpose of conducting the business of the bank in Singapore or housing or providing amenities for its officers;
- (b) any interest in or right over immovable property held by way of security for the purposes of a transaction entered into in the ordinary course of the business of the bank in Singapore;
- (c) any interest in or right over immovable property held by way of enforcement of such security referred to in paragraph (b), provided that it is disposed of at the earliest suitable opportunity; and
- (d) such other interest in or right over immovable property as the Authority may prescribe.

[23/2001]

(3) The Authority may make regulations to provide for the manner of valuation or apportionment of immovable property for the purposes of this section.

[23/2001]

(4) Any bank which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

*Date of commencement of the Banking (Amendment) Act 2001 (Act 23 of 2001).

Grace period for sections 30 to 33

34.—(1) Notwithstanding sections 30 to 33, where any business was carried on, or any property or investment was held, by a bank in Singapore immediately before 18th July 2001* with the approval of the Authority (where required) or which did not require the approval of the Authority, the bank may continue to carry on such business or hold such property or investment, as the case may be, for a period of 3 years from 18th July 2001.

[23/2001]

(2) The Authority may, on application by a bank in Singapore, extend the period referred to in subsection (1) for such further period as the Authority considers appropriate.

[23/2001]

(3) The Authority may, in granting an application for extension under subsection (2) —

(a) levy a charge of an amount not exceeding \$10,000 for every day of the period of extension; or

(b) impose such conditions as it considers appropriate.

[23/2001]

(4) The Authority may, on application by a bank in Singapore, waive any requirement in section 30, 31, 32 or 33, on such conditions as the Authority may impose, where in the opinion of the Authority, the waiver is reasonably necessary for the bank to divest the business, property or investment referred to in subsection (1) by the end of the period referred to in that subsection or the further period referred to in subsection (2).

[23/2001]

Exposure to immovable property sector

35.—(1) The Authority may make such regulations as may be necessary or expedient for the purposes of limiting, in relation to a bank in Singapore, exposure to risks associated, directly or indirectly, with such immovable property as may be prescribed.

[23/2001]

(2) Without prejudice to the generality of subsection (1), the regulations may —

(a) prescribe a limit (referred to in this section as the property sector exposure limit) —

*Date of commencement of the Banking (Amendment) Act 2001 (Act 23 of 2001).

- (i) on the credit facilities that may be granted or issued by a bank in Singapore to such person or class of persons as may be prescribed; or
 - (ii) on the notes, bonds, debentures, derivatives or other financial instruments that may be held by a bank in Singapore;
- (b) provide for the manner of computation for the purpose of determining whether the property sector exposure limit has been complied with;
- (c) provide for the Authority to vary the property sector exposure limit in the circumstances of any particular case;
- (d) provide for such transitional and consequential provisions as may be necessary or expedient; and
- (e) provide that a contravention of the regulations shall be an offence punishable, on conviction, with a fine not exceeding \$100,000 and, in the case of a continuing offence, with a further fine of \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Power of Authority to secure compliance with sections 10, 23, 29, 31, 32, 33, 35 and 42

36.—(1) Any bank in Singapore, if at any time called upon in writing by the Authority to do so, shall satisfy the Authority by the production of such evidence or information as it may require, that the bank is not in contravention of any of the provisions of section 29, 31, 32, 33, 35 or this section.

[2/84; 23/2001]

(2) Without prejudice to sections 10, 23, 29, 31, 32, 33, 35 and 42, the Authority may, for the purpose of securing compliance with those sections on a consolidated basis, from time to time by notice in writing, require any bank to aggregate, in such manner as may be specified in the notice, its assets, liabilities, profits or losses, as the case may be, with the assets, liabilities, profits or losses of all or any of —

- (a) the bank's related corporations; and
- (b) companies in which the bank has a major stake as defined in section 32 (7).

[23/2001]

(3) The bank shall comply with the requirement referred to in subsection (2) within such time as is specified in the notice.

[2/84]

Relief from limitations imposed by sections 29, 31 and 33

37.—(1) Any bank incorporated outside Singapore may apply in writing to the Authority for an order relieving that bank from the restrictions or limitations imposed by sections 29, 31 and 33 in relation to any transactions referred to in those sections and the Authority may make an order subject to such conditions as it thinks fit.

[23/2001]

(2) The Authority shall make an order under subsection (1) only if it is satisfied that the making of the order is in the interests of the creditors and depositors of the bank.

(3) An order made by the Authority under subsection (1) shall be effective for such period as the Authority may decide and shall cease to have effect on such date as may be specified in the order.

PART VI

MINIMUM ASSET REQUIREMENTS

Minimum liquid assets

38.—(1) The Authority may, from time to time, by notice in writing to any bank in Singapore or class of banks in Singapore, impose requirements in relation to the minimum amount or amounts of liquid assets to be held by the bank or class of banks, having regard to the risks arising from the activities of the bank or class of banks, as the case may be, and such other factors as the Authority considers relevant.

[23/2001]

(2) The minimum amount or amounts of the assets so required to be held shall be expressed in the form of a percentage or percentages which those assets shall bear to the sight, savings account, time and other liabilities of each bank, either jointly or separately, and the percentage or percentages may be varied by the Authority by notice in writing.

[23/2001]

(3) Whenever the Authority issues a notice under subsection (1), each bank shall be allowed such period of grace, being not less than

one month, as may be specified in the notice, in which to comply with its provisions.

[23/2001]

(4) A bank shall not, during any period in which it has failed to comply with any notice under subsection (1), without the approval of the Authority, grant further advances to any person.

(5) For the purpose of computing the minimum amount or amounts of liquid assets under this section and specified assets under section 40, and the sight, savings account, time and other liabilities of a bank carrying on business in Singapore and elsewhere, the offices and branches of the bank in Singapore shall be deemed to constitute a separate bank carrying on business in Singapore.

(6) The Authority may by notice in writing require each bank in Singapore to render such returns as the Authority considers necessary for the implementation of this section.

[23/2001]

(7) Any bank which fails to comply with any provision of this section shall be liable to pay, on being called upon to do so by the Authority, a penalty interest charge of \$100 per day or such larger amount as the Authority may determine for every day during which the deficiency continues.

[2/84]

(8) Any bank which fails or refuses to pay a penalty interest charge under subsection (7) shall be guilty of an offence.

(9) For the purposes of this section, liquid assets are —

- (a) notes and coin which are legal tender in Singapore;
- (b) balances with the Authority; and
- (c) such other assets as the Authority may from time to time approve.

[23/2001]

Minimum cash balances

39.—(1) The Authority may from time to time require banks in Singapore to maintain minimum cash balances, not exceeding 30% of each bank's deposit and other liabilities, on deposit with the Authority as reserves against their deposit and other liabilities.

[23/2001]

(2) Subject to the limit specified in subsection (1), the Authority may —

- (a) prescribe different ratios for different types of liabilities; and

- (b) further prescribe the method of computing the amount of the required reserves,

but the ratios shall be uniform for all banks in Singapore.

[23/2001]

(3) Any prescription of, or change in, the minimum reserve requirements under subsection (1) or (2) shall take effect only after the expiration of 30 days notice to the banks of the Authority's intention to take such action.

(4) Where a bank (referred to in this section as the defaulting bank) has failed to maintain sufficient minimum cash balances required under subsection (1), the Authority may by order in writing direct the defaulting bank to make good the deficiency within the period specified in the order and the defaulting bank shall comply with the requirements of the order.

(5) If the defaulting bank fails to make good the deficiency within the period specified in the order referred to in subsection (4), it shall be lawful, notwithstanding the provisions of any other written law, for the Authority to serve a notice in writing upon any other bank in Singapore with which the defaulting bank has a credit balance, whether in current or deposit account, directing that bank to transfer to the Authority such amount as is specified in the notice as being equivalent to the amount of the deficiency in the minimum cash balances of the defaulting bank required under subsection (1) and the other bank shall immediately comply with the requirements of that notice.

[23/2001]

(6) No action shall lie against, and no liability shall attach to, any bank in Singapore that complies with the requirements of a notice referred to in subsection (5) for any loss or damage suffered by the defaulting bank as a result of the other bank taking action in compliance with the requirements of that notice.

[23/2001]

(7) The Authority may, in addition to any action taken under subsections (4) and (5), impose on any bank that fails to maintain sufficient minimum cash balances required under subsection (1) a penalty interest charge of \$100 per day or such larger amount as the Authority may determine for every day during which the deficiency continues.

[2/84]

(8) Any bank which fails or refuses to pay a penalty interest charge under subsection (7) shall be guilty of an offence.

Minimum asset requirement

40.—(1) The Authority may require banks in Singapore to maintain a minimum amount or amounts of assets specified in subsection (2) to be held by banks in Singapore expressed as a percentage or percentages which those assets shall bear to the sight, savings account, time and other liabilities of each bank either jointly or separately.

[23/2001]

(2) For the purposes of subsection (1), the specified assets are —

- (a) the assets specified in section 38 (9) (a) to (c);
- (b) loans or advances made to persons in Singapore;
- (c) securities issued by the Government, or by any public authority established by any law, and any other securities issued in Singapore and approved for the purposes of this section by the Authority; and
- (d) other assets in Singapore which may be approved by the Authority for the purposes of this section.

[23/2001]

(3) Any bank which fails to comply with any of the requirements of the Authority under subsection (1) shall be liable to pay, on being called upon to do so by the Authority, a penalty interest charge of \$100 per day or such larger amount as the Authority may determine for every day during which the deficiency in the minimum assets continues.

[2/84]

PART VII**POWERS OF CONTROL OVER BANKS****Interpretation of this Part**

40A. In this Part —

“customer”, in relation to a bank, includes the Authority or any monetary authority or central bank of any other country or territory, but does not include any company which carries on banking business or such other financial institution as may be designated by the Authority by notice in writing;

“customer information”, in relation to a bank, means —

- (a) any information relating to, or any particulars of, an account of a customer of the bank, whether the

account is in respect of a loan, investment or any other type of transaction, but does not include any information that is not referable to any named customer or group of named customers; or

(b) deposit information;

“deposit information”, in relation to a bank, means any information relating to —

(a) any deposit of a customer of the bank;

(b) funds of a customer under management by the bank;
or

(c) any safe deposit box maintained by, or any safe custody arrangements made by, a customer with the bank,

but does not include any information that is not referable to any named person or group of named persons;

“funds of a customer under management” means any funds or assets of a customer (whether of the bank or any financial institution) placed with that bank for the purpose of management or investment;

“parent bank”, in relation to a bank, means a financial institution which is able to exercise a significant influence over the direction and management of the bank or which has a controlling interest in the bank;

“parent supervisory authority”, in relation to a bank incorporated outside Singapore, means the supervisory authority which is responsible, under the laws of the country or territory where the bank or its parent bank is incorporated, formed or established, for supervising the bank or its parent bank, as the case may be.

[23/2001]

Regulation of interest rates of banks

41.—(1) The Authority may from time to time determine and announce the rates of interest payable to or by banks in Singapore, the rates of discount chargeable by banks in Singapore, or the rates of commission and other charges payable to banks in Singapore.

[23/2001]

(2) Subsection (1) shall not apply to transactions between banks in Singapore.

31.7.2003

Recommendations to banks concerning credits and investments

42.—(1) The Authority may, in respect of loans and advances or investments of banks in Singapore, make recommendations to the banks in respect of the following:

- (a) the purposes for which they may or may not be granted or made;
- (b) the maximum maturities or, in the case of loans and advances, the type and minimum amount of security which shall be required and, in the case of letters of credit, the minimum or margin deposit; or
- (c) the limits for any particular category of loans, advances or investments or for the total amount outstanding in respect of those loans, advances or investments.

[23/2001]

(2) Any recommendation made under subsection (1) shall apply uniformly to all banks in Singapore engaging in the transactions covered by the recommendation.

[23/2001]

(3) Where the Authority has made a recommendation under subsection (1) and the banks have accepted it without objections, or have failed to notify the Authority of their objections or have failed to forward their representations to the Authority within the time specified in subsection (4), the Authority may issue a direction in writing to each bank on any of the matters referred to in subsection (1) requiring that effect be given to the recommendation within a reasonable time, and the banks shall comply with that direction.

(4) Where the Authority has made a recommendation and the banks have, or any bank has, notified the Authority within 14 days of the receipt of the recommendation that the banks object, or any bank objects, to the recommendation, the Authority shall call upon the banks or bank, as the case may be, to make representations in writing within one month of the notification concerning those objections.

(5) Upon receipt of such representations, the Authority shall consider them and may —

- (a) reject the representations; or
- (b) amend or modify the recommendation in accordance with the representations, or otherwise,

and in either event, the Authority shall thereupon issue a direction in writing to the banks or bank, as the case may be, requiring that effect be given to the original recommendation or to the recommendation as subsequently amended or modified by the Authority within a reasonable time.

(6) The banks or any bank, as the case may be, shall comply with the direction under subsection (5).

Inspection of banks

43.—(1) The Authority shall, from time to time, inspect under conditions of secrecy, the books, accounts and transactions of each bank in Singapore and of any branch, agency or office outside Singapore opened by a bank incorporated in Singapore.

[23/2001]

(2) Without prejudice to the generality of subsection (1), such inspection may be conducted in respect of activities of the bank that are regulated or licensed by the Authority under any other Act.

[23/2001]

Special investigation of banks

44. The Authority may at any time make an investigation, under conditions of secrecy, of the books, accounts and transactions of any bank in Singapore, if it has reason to believe that any bank —

- (a) is carrying on its business in a manner likely to be detrimental to the interests of its depositors and other creditors;
- (b) has insufficient assets to cover its liabilities to the public; or
- (c) is contravening the provisions of this Act.

[23/2001]

Provisions supplementary to sections 43 and 44

44A.—(1) For the purposes of an inspection under section 43 or an investigation under section 44, the bank under inspection or investigation shall —

- (a) produce its books, accounts and documents to the Authority and afford the Authority access thereto; and
- (b) provide such information or facilities as may be required by the Authority to conduct the inspection or investigation.

[23/2001]

(2) The books, accounts and documents referred to in subsection (1) shall not be required to be produced at such times or at such places as would unduly interfere with the proper conduct of the normal daily business of that bank.

[23/2001]

(3) The Authority may appoint an auditor, other than the auditor appointed by the bank or by the Authority under section 58, to exercise the powers of the Authority under section 43 or 44.

[23/2001]

(4) Customer information that is obtained by the Authority from a bank incorporated outside Singapore during an inspection under section 43 or an investigation under section 44 may be disclosed by the Authority to the parent supervisory authority of the bank where —

- (a) the customer information does not consist of deposit information;
- (b) the customer information is required by the parent supervisory authority for the sole purpose of carrying out its supervisory functions; and
- (c) the parent supervisory authority —
 - (i) is prohibited by the laws applicable to the parent supervisory authority from disclosing the customer information obtained by it to any other person; or
 - (ii) has given to the Authority such written undertaking, as to the confidentiality of the information obtained, as the Authority may determine.

[23/2001]

(5) Any bank which, without reasonable excuse, contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Inspection in Singapore by parent supervisory authority

45.—(1) In relation to a bank incorporated outside Singapore, a parent supervisory authority may, with the prior written approval of the Authority and under conditions of secrecy, conduct an inspection in Singapore of the books, accounts and transactions of any branch or

office of that bank in Singapore in accordance with this section if the following conditions are satisfied:

- (a) the inspection is required by the parent supervisory authority for the sole purpose of carrying out its supervisory functions;
- (b) the parent supervisory authority —
 - (i) is prohibited by the laws applicable to the parent supervisory authority from disclosing information obtained by it in the course of the inspection to any other person; or
 - (ii) has given to the Authority such written undertaking, as to the confidentiality of the information obtained, as the Authority may determine; and
- (c) the parent supervisory authority has given a written undertaking to the Authority to comply with the provisions of this Act and such conditions as the Authority may impose under subsection (2).

[23/2001]

(2) The Authority may at any time, whether before, on or after giving written approval for an inspection under this section, require the parent supervisory authority to comply with conditions relating to —

- (a) the classes of information to which the parent supervisory authority shall or shall not have access in the course of the inspection;
- (b) the conduct of the inspection;
- (c) the use or disclosure of any information obtained in the course of the inspection; and
- (d) such other matters as the Authority may determine.

[23/2001]

(3) Subject to compliance by a parent supervisory authority with such conditions as the Authority may impose under subsection (2), a bank under inspection —

- (a) shall afford the parent supervisory authority access to such books, accounts and documents of the branch or office of the bank under inspection, and provide such information (including information relating to the bank's internal control systems) and facilities as may be required to conduct the inspection; and

- (b) shall not be required to afford the parent supervisory authority access to its books, accounts and documents or to provide information or facilities at such times or at such places as would unduly interfere with the proper conduct of the normal daily business of the bank.

[23/2001]

(4) A parent supervisory authority may, with the prior written approval of the Authority, appoint another body to conduct the inspection under subsection (1), and in such event the provisions of this section shall apply to the appointed body as they apply to the parent supervisory authority.

[23/2001]

(5) For the purposes of ensuring the confidentiality of any information obtained in the course of an inspection by a parent supervisory authority under this section, section 47 (1) shall, with the necessary modifications, apply to any official of the parent supervisory authority as if the official is an officer of a bank.

[23/2001]

(6) Any bank which refuses or neglects, without reasonable excuse, to afford access to any book, account or document or provide any information or facility as may be required by this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Confidentiality of inspection and investigation reports

46.—(1) Where a written report or any part thereof (referred to in this section as the report) has been produced in respect of any bank in Singapore —

- (a) by the Authority upon an inspection under section 43 or an investigation under section 44; or
- (b) by a parent supervisory authority upon an inspection under section 45,

the report shall not be disclosed by the bank, or any officer or auditor of the bank, to any other person except in the circumstances provided under subsection (2).

[23/2001]

(2) Disclosure of the report referred to in subsection (1) may be made —

- (a) by the bank in Singapore to any officer or auditor of that bank solely in connection with the performance of the duties of the officer or auditor, as the case may be, in that bank;
- (b) by any officer or auditor of the bank in Singapore to any other officer or auditor of that bank, solely in connection with the performance of their duties in that bank;
- (c) to the Authority if requested by the Authority, where the report has been produced by a parent supervisory authority; or
- (d) to any other person as the Authority may approve in writing.

[23/2001]

(3) In granting written approval for any disclosure under subsection (2) (d), the Authority may impose such conditions as it considers appropriate.

[23/2001]

(4) The obligation on an officer or auditor referred to in subsection (1) shall continue after the termination or cessation of his employment or appointment at the bank.

[23/2001]

(5) Any person who contravenes subsection (1) or fails to comply with any condition imposed by the Authority under subsection (3) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
- (b) in any other case, to a fine not exceeding \$250,000.

[23/2001]

(6) Any person to whom the report is disclosed and who knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to him in contravention of subsection (1) shall be guilty of an offence, unless he proves that —

- (a) the disclosure was made contrary to his desire;
- (b) where the disclosure was made in any written form, he has as soon as practicable surrendered or taken all reasonable steps to surrender the report and all copies thereof to the Authority; and

- (c) where the disclosure was made in an electronic form, he has as soon as practicable taken all reasonable steps to ensure that all electronic copies of the report have been deleted and that the report and all copies thereof in other forms have been surrendered to the Authority.

[23/2001]

Banking secrecy

47.—(1) Customer information shall not, in any way, be disclosed by a bank in Singapore or any of its officers to any other person except as expressly provided in this Act.

[23/2001]

(2) A bank in Singapore or any of its officers may, for such purpose as may be specified in the first column of the Third Schedule, disclose customer information to such persons or class of persons as may be specified in the second column of that Schedule, and in compliance with such conditions as may be specified in the third column of that Schedule.

[23/2001]

(3) Where customer information is likely to be disclosed in any proceedings referred to in item 3 or 4 of Part I of the Third Schedule, the court may, either of its own motion, or on the application of any party to the proceedings or the customer to which the customer information relates —

- (a) direct that the proceedings be held in camera; and
- (b) make such further orders as it may consider necessary to ensure the confidentiality of the customer information.

[23/2001]

(4) Where an order has been made by a court under subsection (3), any person who, contrary to such an order, publishes any information that is likely to lead to the identification of any party to the proceedings shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000.

[23/2001]

(5) Any person (including, where the person is a body corporate, an officer of the body corporate) who receives customer information referred to in Part II of the Third Schedule shall not, at any time, disclose the customer information or any part thereof to any other person, except as authorised under that Schedule or if required to do so by an order of court.

[23/2001]

(6) Any person who contravenes subsection (1) or (5) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

(b) in any other case, to a fine not exceeding \$250,000.

[23/2001]

(7) In this section and in the Third Schedule, unless the context otherwise requires —

(a) where disclosure of customer information is authorised under the Third Schedule to be made to any person which is a body corporate, customer information may be disclosed to such officers of the body corporate as may be necessary for the purpose for which the disclosure is authorised under that Schedule; and

(b) the obligation of any officer or other person who receives customer information referred to in Part II of the Third Schedule shall continue after the termination or cessation of his appointment, employment, engagement or other capacity or office in which he had received customer information.

[23/2001]

(8) For the avoidance of doubt, nothing in this section shall be construed to prevent a bank from entering into an express agreement with a customer of that bank for a higher degree of confidentiality than that prescribed in this section and in the Third Schedule.

[23/2001]

(9) Where, in the course of an inspection under section 43 or an investigation under section 44 or the carrying out of the Authority's function of supervising the financial condition of any bank, the Authority incidentally obtains customer information and such information is not necessary for the supervision or regulation of the bank by the Authority, then, such information shall be treated as secret by the Authority.

[23/2001]

(10) This section and the Third Schedule shall apply, with such modifications as may be prescribed by the Authority, to a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186) as if the reference to a bank in this section were a reference to such merchant bank.

[23/2001]

Information of insolvency, etc.

48. Any bank which considers that it is, or is likely to become, unable to meet its obligations, or is insolvent, or is about to suspend payments, shall immediately inform the Authority of that fact.

Action by Authority if bank is unable to meet obligations, etc., or is conducting business to detriment of depositors

49.—(1) Where —

- (a) a bank informs the Authority that it is likely to become unable to meet its obligations, or that it is insolvent, or about to suspend payments;
- (b) a bank becomes unable to meet its obligations, or is insolvent, or suspends payments;
- (c) after an inspection or investigation is made under section 43 or 44, the Authority is of the opinion that the bank —
 - (i) is carrying on its business in a manner likely to be detrimental to the interests of its depositors or its creditors;
 - (ii) is insolvent or is likely to become unable to meet its obligations or is about to suspend payment;
 - (iii) has contravened any of the provisions of this Act; or
 - (iv) has failed to comply with any condition attached to its licence; or

(d) the Authority considers it in the public interest to do so, the Authority may exercise any one or more of the powers specified in subsection (2) as appears to it to be necessary.

(2) Subject to subsection (1), the Authority may —

- (a) require the bank concerned immediately to take any action or to do or not to do any act or thing whatsoever in relation to its business as the Authority may consider necessary;
- (b) appoint a person to advise that bank in the proper conduct of its business; or
- (c) assume control of and carry on the business of that bank or direct some other person to assume control of and carry on the business of that bank.

(3) The Authority may, upon representation made to it or on its own motion, modify or cancel any action taken by it under subsection (2),

and in so modifying or cancelling any action may impose such conditions as it thinks fit, subject to which the modification or cancellation shall have effect.

Powers of Authority

50. Where the Authority has taken action under section 49 (2), it may, without prejudice to the powers conferred by section 20 (1) (b), exercise one or more of the following powers:

- (a) confirm, vary or reverse any requirement, appointment or direction made by it;
- (b) make such order as it may think fit in relation to the affairs of the bank and exercise any power which it may exercise under section 49 (2);
- (c) present a petition to the High Court for the winding up of the bank by the High Court.

Duration of control

51.—(1) Where the Authority has assumed control of the business of a bank under section 49, the Authority shall remain in control of, and continue to carry on, the business of that bank in the name and on behalf of the bank until such time as it is satisfied that —

- (a) the reasons for which it assumed control of the business have ceased to exist; or
- (b) it is no longer necessary for the protection of the depositors of the bank that it should remain in control of the business.

(2) Where the Authority has assumed control of the business of a bank under section 49 or ceased to control the business of a bank under this section, the Authority shall notify that fact in the *Gazette*.

Bank under control of Authority to co-operate with Authority

52.—(1) Where the Authority has assumed control of the business of a bank under section 49, the bank shall —

- (a) submit its business to the control of the Authority; and
- (b) provide the Authority with such facilities as the Authority may require to carry on the business of that bank.

(2) Any bank which fails to comply with subsection (1) or with any requirement of the Authority thereunder shall be guilty of an offence and shall be liable on conviction to a fine not exceeding

\$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day during which the offence continues after conviction.

[2/84; 23/2001]

Remuneration and expenses of Authority and others in certain cases

53.—(1) The Authority may at any time (whether or not the appointment of the person has terminated) fix the remuneration and expenses to be paid by a bank to any person appointed by the Authority under section 49 (2) or 50 to advise the bank in the proper conduct of its business.

(2) Where, under section 49 (2) (c) or 50 (b), the Authority has assumed control of the business of a bank or some other person has assumed control of the business of a bank pursuant to a direction or order of the Authority, the Authority may, at any time, whether or not it or that other person has ceased to be in control of the business of the bank, fix the remuneration and expenses to be paid by the bank to the Authority and to any person employed or authorised by it under section 3 to assist it in the control of and the carrying on of the business of the bank, or to that other person, as the case may be.

Moratorium

54.—(1) The Authority may, if it considers it to be in the interests of the depositors of a bank, make an order prohibiting that bank from carrying on banking business or from doing or performing any act or function connected with banking business or any aspect thereof that may be specified in the order.

(2) The Authority may, if it considers it to be in the interests of the depositors of a bank, apply to the High Court for an order staying the commencement or continuance of any proceedings by or against the bank in regard to any business of the bank.

(3) Any order made under subsection (2) shall be valid for a period not exceeding 6 months.

(4) So long as an order under subsection (1) remains in force, the licence granted to that bank under this Act shall be suspended.

Notices to banks

55.—(1) The Authority may, if it appears to the Authority to be necessary or expedient in the public interest or the interest of

the banking system, by notice in writing to banks in Singapore give directions or impose requirements on or relating to the operations and activities of and standards to be maintained by banks.

[28/93; 23/2001]

(2) Without prejudice to the generality of subsection (1), any notice under that subsection may be given in respect of —

- (a) the revaluation of the assets of banks;
- (b) the maintenance of credit files of borrowers and the grading of loans;
- (c) the prohibition or control of the sale of commemorative coins or medals;
- (d) the deposit of specified securities with authorised depositaries;
- (e) the issue of Singapore dollar negotiable certificates of deposit;
- (f) prior notification to the Authority of changes in interest rates and minimum lending rates of banks;
- (g) restrictions on the granting of Singapore dollar credit facilities in whatever form or by whatever means to residents of Singapore where such facilities are to be used outside Singapore, or to non-residents;
- (h) the appointment of directors, chief and deputy chief executive officers and other principal officers of a bank;
- (i) the maintenance of a register of dealers of a bank;
- (j) the terms and conditions for the operation of a bank's current and other accounts with the Authority;
- (k) the manner in which a bank conducts its dealings with its customers, the procedures for the reporting of transactions between a bank and its employees, and conflicts of interest involving a bank and its employees or involving a bank and its customers;
- (l) the maximum aggregate permissible percentage holdings by any class, category or description of persons of interests in shares of a bank incorporated in Singapore;
- (m) the limits for the total amount of foreign exchange transactions which a bank incorporated in Singapore may undertake and for this purpose the limits may be applied uniformly to all such banks or separate limits may be

determined for any particular bank incorporated in Singapore or for 2 or more of such banks;

- (n) the opening of new branches of a bank and the change of location of any place of business of a bank;
- (o) the installation of automated teller machines by a bank;
- (p) the provision for and the writing-off of bad debts;
- (q) any audit of a Singapore branch of a bank by an internal auditor from its head office which is outside Singapore;
- (r) the forms, returns and submissions of statistics for the purposes of this Act.

[28/93; 23/2001]

(3) Every bank in Singapore shall comply with any direction given or requirement imposed by any notice under this section.

[28/93; 23/2001]

(4) For the avoidance of doubt, any notice in writing issued under this Act shall be deemed not to be subsidiary legislation.

[54A

[23/2001]

PART VIII

NUMBERED ACCOUNTS

Prohibition against opening of numbered accounts

56.—(1) For the purposes of this Part, “numbered accounts” means accounts opened with banks in Singapore that are identifiable only by a number or code word or by such other means as the Authority may determine.

(2) No bank in Singapore shall open numbered accounts for its customers except with the prior approval in writing of the Authority which may attach such limitations, conditions, qualifications and exceptions thereto as it thinks fit.

(3) Any bank which contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

[55

[2/84; 23/2001]

Secrecy of numbered accounts

57. (*Repealed by Act 23 of 2001*)

PART IX
MISCELLANEOUS

Auditing

58.—(1) Notwithstanding the provisions of the Companies Act (Cap. 50), every bank shall appoint annually an auditor approved by the Authority.

(2) An auditor shall not be approved by the Authority as an auditor for banks unless he is able to comply with such conditions in relation to the discharge of his duties as may be determined by the Authority.

[2/84]

(3) The Authority may appoint an auditor —

- (a) if the bank fails to appoint an auditor; or
- (b) if it considers it desirable that another auditor should act with the auditor appointed under subsection (1),

and may at any time fix the remuneration to be paid by the bank to that auditor.

(4) The duties of an auditor appointed under subsections (1) and (3) shall be —

- (a) to carry out, for the year in respect of which he is appointed, an audit of the accounts of the bank; and
- (b) to make a report in accordance with section 207 of the Companies Act (Cap. 50) —
 - (i) in the case of a bank incorporated in Singapore, upon the annual balance-sheet and profit and loss account that are referred to in section 25 (1); and
 - (ii) in the case of a bank incorporated outside Singapore, upon the annual balance-sheet and profit and loss account showing the assets and liabilities and profit or loss arising out of the bank's operations in Singapore.

(5) The Authority may impose all or any of the following duties on an auditor in addition to those provided under subsection (4):

- (a) a duty to submit such additional information in relation to his audit as the Authority considers necessary;
- (b) a duty to enlarge or extend the scope of his audit of the business and affairs of the bank;

- (c) a duty to carry out any other examination or establish any procedure in any particular case;
- (d) a duty to submit a report on any of the matters referred to in paragraphs (b) and (c).

[2/84]

(6) The bank shall remunerate the auditor in respect of the discharge by him of all or any of the additional duties mentioned in subsection (5).

[2/84]

(7) The auditor's report made under subsection (4) shall be attached to the balance-sheet and the profit and loss account and a copy thereof together with any report submitted under subsection (5) shall be transmitted in writing to the Authority.

[2/84]

(8) If an auditor, in the course of the performance of his duties as an auditor of a bank, is satisfied that —

- (a) there has been a serious breach or non-observance of the provisions of this Act or that otherwise a criminal offence involving fraud or dishonesty has been committed;
- (b) losses have been incurred which reduce the capital funds of the bank by 50%;
- (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors; or
- (d) he is unable to confirm that the claims of creditors are still covered by the assets,

he shall immediately report the matter to the Authority.

[2/84]

Clearing House settlements and control over Clearing House

59.—(1) In order to facilitate the clearing of cheques and other credit instruments for banks and other financial institutions approved by the Authority, the Authority shall, in conjunction with such banks and institutions, by regulations, establish a Clearing House.

[28/93;37/98]

(2) The Authority may, from time to time, inspect under conditions of secrecy the operations, books, accounts and transactions of a Clearing House.

[28/93]

(3) Where the Authority is of the opinion that a Clearing House is carrying on its operations in a manner likely to be detrimental to the interest of banks or other participating financial institutions, the Authority may —

- (a) require the Clearing House forthwith to take any action or to do or not to do any act or thing whatsoever in relation to its business as the Authority may consider necessary;
- (b) appoint a person to advise the Clearing House on the proper conduct of its business; or
- (c) assume control of and carry on the business of the Clearing House or direct some other person to assume control of and carry on the business of the Clearing House.

[28/93;37/98]

(4) The Authority may at any time fix the remuneration and expenses to be paid by the operator of the Clearing House to any person appointed by the Authority under subsection (3) (b) or (c), whether or not the appointment of such person has terminated.

[28/93]

(5) Where the Authority has taken action under subsection (3), the Authority may, at any time, vary or reverse any requirement, appointment or direction made by it.

[28/93]

Declaration of holidays

60.—(1) The Authority may, at any time by notice in the *Gazette*, declare any day or days to be a bank holiday or holidays.

(2) No bank in Singapore shall do any business without the approval of the Authority on any day declared a bank holiday under subsection (1).

[2/84; 23/2001]

(3) A bank holiday declared under subsection (1) shall not necessarily be a public holiday and nothing in this section shall be deemed to affect any written law which may from time to time be in force in Singapore relating to public holidays.

(4) Any reference to a bank holiday in any written law which may from time to time be in force in Singapore shall include any day declared to be a bank holiday under this section and any day which is a public holiday within the meaning of any written law which may be in force in Singapore relating to public holidays.

Priority of deposit liabilities

61.—(1) Where a bank becomes unable to meet its obligations or becomes insolvent or suspends payment, the assets of that bank in Singapore shall be available to meet all deposit liabilities of the bank in Singapore.

(2) The deposit liabilities shall have priority over all unsecured liabilities of the bank other than the preferential debts specified in section 328 (1) of the Companies Act (Cap. 50).

[2/84]

Priority of deposit liabilities inter se

62.—(1) Notwithstanding the provisions of any written law or rule of law relating to the winding up of companies, in the event of a winding up of a bank the deposit liabilities of the bank shall, amongst themselves, rank in the following order of priority:

- (a) firstly, deposit liabilities incurred by the bank with non-bank customers where the deposit liabilities are required by the Authority to be included in the computation of the reserve and liquidity requirements under sections 38, 39 or 77A, as the case may be;
- (b) secondly, deposit liabilities incurred by the bank with other banks where the deposit liabilities are required by the Authority to be included in the computation of the reserve and liquidity requirements under sections 38 and 39;
- (c) thirdly, deposit liabilities incurred by the bank with non-bank customers where the deposit liabilities are not required by the Authority to be included in the computation of the reserve and liquidity requirements under sections 38 and 39.

[2/84; 27/98]

(2) The deposit liabilities in each class specified in subsection (1) shall —

- (a) rank in the order specified therein but as between deposit liabilities of the same class shall rank equally between themselves; and
- (b) be paid in full unless the assets of the bank are insufficient to meet them in which case they shall abate in equal proportions between themselves.

[2/84]

(3) For the purposes of section 61 and this section, “deposit liabilities of a bank” means sums of money paid on terms —

- (a) under which they will be repaid, with or without interest or at a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the persons making the payments and the bank receiving them; and
- (b) which are not referable to the provision of property or services or to the giving of security,

but shall not include, in the case of a bank incorporated in Singapore, liabilities of the bank arising from loans —

- (i) granted by creditors whose claims are fully subordinated to the claims of all un-subordinated creditors; and
- (ii) the terms of which comply with the criteria for the treatment of the liabilities as capital in the computation of the bank’s capital adequacy ratio under section 10, whether or not the entire amount of such liabilities are treated in the computation as capital.

[2/84; 23/2001]

(4) For the purposes of subsection (3) (b), money is paid on terms which are referable to the provisions of property or services or to the giving of security if, and only if —

- (a) it is paid by way of advance or part-payment for the sale, hire or other provision of property or services of any kind and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided;
- (b) it is paid by way of security for payment for the provision of property or services of any kind provided or to be provided by the bank by whom or on whose behalf the money is accepted; or
- (c) it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise.

[2/84]

Redemption of securities held by bank under liquidation

63.—(1) As soon as practicable after the making of an order for the winding up of a bank, the liquidator of the bank shall —

- (a) publish in the *Gazette* a notice requiring every debtor of the bank to redeem any property he has deposited with the bank

as security for any loan that he has obtained from the bank;
and

- (b) send by registered post the notice to every debtor whose security is held by the bank and whose name is mentioned in the statement of affairs made out under section 270 of the Companies Act (Cap. 50).

[2/84]

(2) The notice shall specify the latest date up to which any security may be redeemed, which date shall not be less than 3 months from the date of the notice.

[2/84]

Execution of instruments under seal

64.—(1) Notwithstanding anything in the articles of association or regulations of any bank incorporated in Singapore with respect to the execution of instruments under its seal, but without prejudice to anything in those articles or regulations not inconsistent herewith, the seal of the bank shall not be affixed to any instrument except in the presence of a director of the bank and of one other person being either a director or an officer of the bank duly authorised in that behalf.

(2) The director and that other person as mentioned in subsection (1) shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualification of directors and employees of banks

65. Notwithstanding the provisions of any other written law, any person —

- (a) who is or becomes bankrupt, suspends payments or compounds with his creditors;
- (b) who is or has been convicted in any country of an offence involving dishonesty or fraud and has not received a free pardon for the offence for which he was convicted; or
- (c) who has been a director of, or directly concerned in the management of, a bank licensed under this Act or which was licensed under any written law repealed by this Act which is being or has been wound up by a court or the licence of which has been revoked,

shall not, without the consent in writing of the Authority, act or continue to act as the director, manager, secretary or other officer in any bank in Singapore.

[23/2001]

Offences by directors or managers

66.—(1) Any person being a director, managing director or manager of a bank in Singapore who —

- (a) fails to take all reasonable steps to secure compliance by a bank with the provisions of this Act or any other written law applicable to banks in Singapore; or
- (b) fails to take all reasonable steps to secure the accuracy and correctness of any statement submitted under this Act or of any other written law applicable to banks in Singapore,

shall be guilty of an offence and shall, in respect of each offence, be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[2/84; 23/2001]

(2) In any proceedings against a person under subsection (1), it shall be a defence to prove that he had reasonable grounds for believing that another person was charged with the duty of securing compliance with the requirements of those laws or with the duty of ensuring that those statements were accurate and that that person was competent and in a position to discharge that duty.

(3) A person shall not be sentenced to imprisonment for any offence under subsection (1) unless, in the opinion of the court, he committed the offence wilfully.

Offences by directors, employees and agents

67. Any director, manager, trustee, auditor, employee or agent of any bank in Singapore who —

- (a) wilfully makes or causes to be made a false entry in any book of record or in any report, slip, document or statement of the business, affairs, transactions, conditions, assets or accounts of that bank;
- (b) wilfully omits to make an entry in any book of record or in any report, slip, document or statement of the business, affairs, transactions, conditions, assets or accounts of that bank, or wilfully causes any such entry to be omitted; or
- (c) wilfully alters, abstracts, conceals or destroys an entry in any book of record or in any report, slip, document or statement of the business, affairs, transactions, conditions, assets or accounts of that bank, or wilfully causes any such entry to be altered, abstracted, concealed or destroyed,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

[2/84; 23/2001]

Indemnity

68. No liability shall be incurred by —

- (a) any public officer;
- (b) any person authorised or employed by the Authority under section 3;
- (c) any person appointed under section 49 (2) (b) to advise a bank in the proper conduct of its business;
- (d) any person who has assumed control of the business of a bank pursuant to a direction or order of the Authority under section 49 (2) (c) or 50 (b); or
- (e) any person appointed under section 44A (3),

as a result of anything done by him bona fide in the exercise of any power, or the performance of any function or duty, conferred or imposed by or under this Act.

[23/2001]

Power to compound

69.—(1) The Authority may, without instituting proceedings against any person for any offence under this Act, which is punishable only by a fine or a default penalty, demand and receive the amount of the fine or default penalty or such reduced amount as it thinks fit from that person.

(2) Whereupon, if the person —

- (a) pays that amount to the Authority within 14 days after the demand, no proceedings shall be taken against him in relation to the offence; or
- (b) does not so pay the amount so demanded, the Authority may cause proceedings to be instituted in relation to the offence.

Publication of list of banks

70.—(1) The Authority shall cause to be published in the *Gazette* in the month of April in each year a list of all banks to which licences have been issued under this Act.

(2) If any licence is issued, revoked or surrendered during the interval between the publication of 2 such lists, notice thereof shall also be caused to be published in the *Gazette*.

General penalty

71. Any bank which contravenes any of the provisions of this Act for which no penalty is expressly provided shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Offences triable in District Court

72. Notwithstanding the provisions of any other written law, offences under this Act may be tried in a District Court, which shall have the power to impose the maximum penalty prescribed for any offence under this Act.

Consent of Attorney-General

73. No prosecution in respect of any offence under this Act shall be instituted except with the consent of the Attorney-General.

Recovery of fees, expenses, etc.

74. There shall be recoverable as a civil debt due to the Authority from the bank concerned —

- (a) the amount of any fees payable under sections 8 and 13;
- (b) any remuneration and expenses payable by the bank to any person appointed under section 49 (2) (b); and
- (c) any remuneration and expenses payable by the bank to the Authority or to any person employed or authorised by the Authority under section 3 to assist it in the control of and the carrying on of the business of the bank or to any other person who has assumed control of the business of the bank pursuant to a direction or order of the Authority under section 49 (2) (c) or 50 (b) or to any person appointed under section 44A (3).

[23/2001]

Power to refund, reduce, etc., penalty interest charge

74A. The Authority may, of its own motion, review any penalty interest charge imposed under section 38 (7), 39 (7), 40 (3) or 77A (3) and decide —

- (a) not to impose the penalty interest charge;
- (b) to reduce the penalty interest charge payable; or
- (c) where any penalty interest charge has been paid, to refund the whole or part of the amount paid.

[23/2001]

Operation of this Act not to affect Companies Act

75.—(1) Nothing in this Act shall affect the operation of the Companies Act (Cap. 50), and any bank that is liable to be incorporated under that Act shall continue to be so liable as if this Act had not been passed.

(2) In case of conflict between the Companies Act and this Act, the provisions of this Act shall prevail unless otherwise provided in this Act.

Service of documents, etc.

75A.—(1) Any notice, order or document required or authorised by this Act to be served on any person may be served —

- (a) by delivering it to the person or to some adult member or employee of his family or household at his last known place of residence;
- (b) by leaving it at his usual or last known place of residence or business in an envelope addressed to the person;
- (c) by sending it by registered post addressed to the person at his usual or last known place of residence or business; or
- (d) in the case of a company, a partnership or body of persons —
 - (i) by delivering it to the secretary or other like officer of the company, partnership or body of persons at its registered office or principal place of business; or
 - (ii) by sending it by registered post addressed to the company, partnership or body of persons at its registered office or principal place of business.

[23/2001]

(2) Any notice, order or document sent by registered post to any person in accordance with subsection (1) shall be deemed to be duly served on the person at the time when the notice, order or document, as the case may be, would in the ordinary course of post be delivered.

[23/2001]

(3) When proving service of the notice, order or document referred to in subsection (2), it shall be sufficient to prove that the envelope containing the notice, order or document, as the case may be, was properly addressed, stamped and posted by registered post.

[23/2001]

Exemption

76. Nothing in this Act shall be construed so as to prevent any of the following persons from carrying on any activity or business for which he is registered or licensed under the following respective Act corresponding to that person:

- (a) any co-operative society registered under the Co-operative Societies Act (Cap. 62);
- (b) any business of pawnbroking carried on by a person licensed under the Pawnbrokers Act (Cap. 222); or
- (c) any finance company licensed under the Finance Companies Act (Cap. 108).

[28/93; 37/98; 23/2001]

Authority to approve operation of an Asian Currency Unit

77.—(1) No person shall establish and operate an Asian Currency Unit without first obtaining the approval of the Authority.

[2/84]

(2) The operation of an Asian Currency Unit shall be subject to such terms and conditions as the Authority may from time to time determine.

(3) Every person who operates an Asian Currency Unit by virtue of this section shall be subject to the provisions of this Act except those that are specified in subsection (4).

[2/84]

(4) If the person referred to in subsection (3) is a corporation that is —

- (a) incorporated outside Singapore, it shall not be subject to the following sections:
 - (i) section 29 (1) (a), (b) and (d) (iv);

- (ii) section 31;
 - (iii) section 33;
 - (iv) section 38; and
 - (v) section 39;
- (b) incorporated in Singapore, it shall not be subject to sections 38 and 39.

[2/84]

(5) In this section, “Asian Currency Unit” means an operational unit that has been approved by the Authority to operate in the Asian Dollar Market subject to such conditions as the Authority may determine.

[2/84]

Authority to approve issue of stored value cards

- 77A.**—(1) No person shall issue any stored value card except —
- (a) a bank which has obtained the approval of the Authority; or
 - (b) a person for payment only of goods or services or both goods and services provided by that person.

[28/93]

(2) The proceeds arising from every issue by a bank of a stored value card may be subject to such reserve and liquidity requirements as the Authority may by notice in writing determine.

[28/93]

(3) The Authority may, for any failure to comply with the reserve and liquidity requirements, impose a penalty interest charge of \$100 per day or such larger amount as the Authority may determine.

[28/93]

(4) The Authority may determine the terms and conditions under which a stored value card may be issued by a bank and that bank shall comply with such terms and conditions.

[28/93]

(5) The use of a stored value card to operate a machine provided by the issuer or by some other person under an agreement with the issuer shall be regarded as the production of the stored value card to the issuer.

[28/93]

(6) The Authority may exempt from subsection (1) for such period and subject to such terms and conditions as the Authority thinks fit any person who has, before 8th October 1993, issued stored value cards.

[28/93]

(7) Section 14 of the Currency Act (Cap. 69) shall not apply to a stored value card issued by a bank in accordance with this section.

[28/93]

(8) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

[28/93; 23/2001]

(9) In this section, “stored value card” means a card for which a person pays in advance a sum of money to the issuer in exchange for an undertaking by the issuer that on the production of the card to the issuer or a third party (whether or not some other action is also required), the issuer or the third party, as the case may be, will supply goods or services or both goods and services; and, for the purposes of this definition, “card” includes any token, coupon, stamp, form, booklet or other document or thing.

[28/93; 37/98]

Regulations

78.—(1) The Authority may, from time to time, make such regulations as may be necessary or expedient for carrying out the purposes and provisions of this Act and for prescribing anything that may be required or authorised to be prescribed by this Act.

[28/93]

(2) Without prejudice to the generality of subsection (1), regulations may be made for or with respect to the operations and activities of banks and other financial institutions issuing credit and charge cards, including the minimum qualifying criteria for the issue of a credit or charge card.

[28/93]

(3) Without prejudice to the generality of subsection (1), regulations may be made for or with respect to —

(a) the corporate governance and appointment of principal officers of banks in Singapore, their related corporations or other companies in which banks acquire or hold a major stake as described in section 32 (7); and

(b) the prohibition or restriction on mutual shareholdings held between the banks, related corporations or other companies referred to in paragraph (a).

[23/2001]

(4) Regulations made under this section may relate to all, or any class, category or description of persons or banks, and may make different provisions for different classes, categories or descriptions of

persons or banks or to a particular person or bank or of general or specifically limited application.

[28/93]

(5) Except as otherwise expressly provided in this Act, regulations made under this section may provide that any contravention thereof shall be an offence punishable —

- (a) in the case of an individual, with a fine not exceeding \$12,500 or with imprisonment for a term not exceeding 12 months or with both and, in the case of a continuing offence, with a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction; or
- (b) in any other case, with a fine not exceeding \$25,000 and, in the case of a continuing offence, with a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[23/2001]

Transitional licensing provisions

79. Notwithstanding sections 4 and 9, any bank specified in the First Schedule which on 1st January 1970 was carrying on banking business in Singapore shall, as from 1st January 1971, be granted a licence under this Act, which may be made subject to such conditions, if any, as are contained in any licence under which the bank was carrying on banking business in Singapore immediately before that date.

FIRST SCHEDULE

Section 79

BANKS

Algemene Bank Nederland N.V.

Asia Commercial Banking Corporation, Limited

Ban Hin Lee Bank, Berhad

Bangkok Bank, Limited

Bank Negara Indonesia 1946

Bank of America National Trust and Savings Association

The Bank of Canton, Limited

Bank of China

FIRST SCHEDULE — *continued*

The Bank of East Asia, Limited
Bank of India
Bank of Singapore, Limited
The Bank of Tokyo, Limited
Banque Indosuez
The Chartered Bank
The Chase Manhattan Bank National Association
Chung Khiaw Bank, Limited
The Development Bank of Singapore, Limited
The Eastern Bank, Limited
Far Eastern Bank, Limited
First National City Bank
Four Seas Communications Bank, Limited
The Hongkong and Shanghai Banking Corporation
Indian Bank
Indian Overseas Bank
The Industrial and Commercial Bank, Limited
Kwangtung Provincial Bank
Kwong Lee Bank, Berhad
Lee Wah Bank, Limited
Malayan Banking, Berhad
Mercantile Bank, Limited
The Mitsui Bank, Limited
Oversea-Chinese Banking Corporation, Limited
Overseas Union Bank, Limited
United Commercial Bank
United Malayan Banking Corporation, Berhad
United Overseas Bank, Limited

SECOND SCHEDULE

Section 14C

EFFECT OF MERGER**Interpretation**

1. In this Schedule, unless the subject or context otherwise requires —

“Bank” means the bank into which the other banks that are parties to a merger agreement are merged and to which a certificate of approval is issued under section 14A (1);

“customer” means any person having a banking account or any other account or other dealing, transaction or arrangement with any existing bank or the Bank, as the case may be;

“effective date” means the date mentioned in section 14A (4);

“existing banks” means the banks that are parties to a merger agreement other than the Bank, and “existing bank” shall be construed accordingly;

“liabilities” includes duties and obligations of every description (whether present or future, actual or contingent);

“property” means property and assets and rights of every description (whether present or future, actual or contingent) wheresoever situate and includes property held on trust and securities, rights, benefits and powers of every description but does not include any document required to be kept by an existing bank under the Companies Act (Cap. 50);

“security” means a mortgage or charge (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge, hypothecation, assignment by way of security, indemnity, right of set-off, undertaking or other means of securing the payment of a debt, whether present or future, or the discharge of an obligation or liability, whether actual or contingent;

“undertaking of an existing bank” means the business and all of the property vested in or belonging to or held by that existing bank immediately before the effective date and all of the liabilities to which that existing bank was subject immediately before that date.

Transfer of undertakings

2.—(1) On the effective date, the undertakings of the existing banks shall, by virtue of section 14C and this Schedule and without further assurance, be transferred to and vest in the Bank as if in all respects the Bank were the same person in law as the existing banks.

(2) The production of a copy of the certificate of approval issued under section 14A (1) shall, on and after the effective date, be conclusive evidence in all courts and proceedings of the transfer of the undertakings of the existing banks to the Bank and of their vesting in the Bank.

(3) If any portion of the undertaking of an existing bank cannot be vested in the Bank by virtue of section 14C and this Schedule because transfers of that

SECOND SCHEDULE — *continued*

portion are governed otherwise than by the law of Singapore then that existing bank shall, as soon as is practicable after the effective date, take all necessary steps for the purpose of securing that that portion is effectively transferred to the Bank.

Saving of contracts, etc.

3.—(1) Subject to this paragraph, all contracts, agreements, conveyances, covenants, settlements, trusts, deeds, leases, licences and other instruments or undertakings entered into by or made with or addressed to an existing bank or to which an existing bank is a party (whether alone or with any other person) before and in force on the effective date shall as from that date be binding and of full force and effect in every respect against or in favour of the Bank as fully and effectually as if, instead of an existing bank, the Bank had been a party thereto or bound thereby or entitled to the benefit thereof.

(2) In relation to every contract of employment to which sub-paragraph (1) applies, that sub-paragraph shall operate to substitute the Bank for the existing bank which was the employer thereunder immediately before the effective date.

Banking business

4. Without prejudice to the generality of paragraphs 2 and 3, the following provisions shall have effect in relation to the banking businesses of the existing banks:

- (a) any account between an existing bank and a customer at any office or branch of that existing bank shall be transferred to the Bank on the effective date and shall become as and from that date an account between the Bank and the customer with the same rights and subject to the same obligations and incidents (including rights of set-off) as would have been applicable thereto if the account between that existing bank and the customer had continued and so that any instruction, order, direction, mandate or authority given by the customer in relation to the account and subsisting at or given after the effective date shall, unless and until revoked or cancelled, apply and have effect in relation to the account after its transfer to the Bank, except that nothing in this sub-paragraph shall affect any right of the Bank or of the customer to vary the conditions or incidents subject to which any account is kept;
- (b) any security held by an existing bank as security for the payment of debts or liabilities (whether present or future, actual or contingent) of any person shall be transferred or deemed to be transferred to the Bank on the effective date and shall be held by and be available to the Bank as security for the payment of such debts and liabilities to the Bank; and where the moneys secured by such a security include future advances to or liabilities of that person, the security shall as from that date be held by and be available to the Bank as security for future advances to that

SECOND SCHEDULE — *continued*

person by, and future liabilities of that person to, the Bank to the same extent to which future advances by, or liabilities to, the existing bank were secured thereby immediately before that date;

- (c) the Bank shall, in relation to any security transferred or deemed to have been transferred to it in accordance with or by virtue of the provisions of this Schedule and the moneys thereby secured in accordance with those provisions, be entitled to the same rights and priorities and subject to the same obligations and incidents as the existing bank from which the same has been transferred or deemed to have been transferred would have been entitled and subject to if the same had continued to be held by the existing bank; and
- (d) the custody of any document, goods or other property held by an existing bank as bailee for any other person at any office or branch of that existing bank shall be transferred or deemed to be transferred to the Bank on the effective date and the rights and obligations of that existing bank under any contract of bailment relating to such document, goods or property shall be transferred or deemed to be transferred on that date to the Bank.

Actions, etc., not to abate

5. Any action, arbitration or proceeding and any cause of action, arbitration or proceeding which shall, on the effective date, be pending or existing by, against or in favour of an existing bank shall not abate or be discontinued or be in any way prejudicially affected by reason of the provisions of this Schedule, but the same may be prosecuted, continued and enforced by, against or in favour of the Bank as and when it might have been prosecuted, continued and enforced by, against or in favour of an existing bank if this Schedule had not been enacted.

Documents, etc., to remain evidence

6. All documents, records and admissions which if this Schedule had not been enacted would have been evidence in respect of any matter for or against an existing bank shall, on and after the effective date, be admitted in evidence in respect of the same or the like matter for or against the Bank.

Application of Part IV of Evidence Act

7.—(1) Notwithstanding the transfer of the undertakings of the existing banks to the Bank under and in the terms of this Schedule, the provisions of Part IV of the Evidence Act (Cap. 97) shall continue to apply with respect to the books of the existing banks which are transferred to the Bank by virtue of this Schedule and to entries made in such books before the effective date.

(2) For the purposes of this paragraph, “books” includes ledgers, day books, cash books, account books and all other books and records used in the ordinary business of an existing bank before the effective date.

SECOND SCHEDULE — *continued***Application of documents**

8.—(1) Subject to sub-paragraph (2), where any document whensoever made or executed contains any reference express or implied to an existing bank, such reference shall, on and after the effective date and except where the context otherwise requires, be read, construed and have effect as a reference to the Bank.

(2) Without prejudice to the generality of sub-paragraph (1), where by any order of the court or by any trust deed, settlement, covenant or agreement or where by any will, codicil or other testamentary writing, whether made or executed before or after the effective date, an existing bank (whether alone or with any other person) was or is granted letters of administration or appointed trustee, executor, guardian or in any other fiduciary capacity, such order, trust deed, settlement, covenant, agreement, will, codicil or other testamentary writing shall not fail by reason of anything in this Schedule but shall, as from the effective date, be read and construed and have effect as if for any reference therein to that existing bank there was substituted a reference to the Bank.

Dissolution of existing banks

9.—(1) An existing bank shall, by virtue of this Schedule, be dissolved on the day (being a day after the effective date) on which at the request of the Bank, the Registrar of Companies strikes the name of that existing bank off the register under section 344 of the Companies Act (Cap. 50).

(2) On the day referred to in sub-paragraph (1), all documents required to be kept by the existing bank pursuant to the provisions of the Companies Act shall, by virtue of this Schedule, be transferred to and vest in the Bank.

[28/93]

THIRD SCHEDULE

Section 47

PART I

FURTHER DISCLOSURE NOT PROHIBITED

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|---|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 1. Disclosure is permitted in writing by the customer or, if he is deceased, his appointed personal representative. | Any person as permitted by the customer or, if he is deceased, his appointed personal representative. | |
| 2. Disclosure is solely in connection with an application for a grant of probate or letters of administration in respect of a deceased customer's estate. | Any person whom the bank in good faith believes is entitled to the grant of probate or letters of administration. | |
| 3. Disclosure is solely in connection with — (a) where the customer is an individual, the bankruptcy of the customer; or (b) where the customer is a body corporate, the winding up of the customer. | All persons to whom the disclosure is necessary for the purpose specified in the first column. | <i>Note: Court may order the proceedings to be held in camera [see section 47 (3) and (4)].</i> |

THIRD SCHEDULE — *continued*PART I — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|---|--|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| <p>4. Disclosure is solely with a view to the institution of, or solely in connection with, the conduct of proceedings —</p> <p>(a) between the bank and the customer or his surety relating to the banking transaction of the customer;</p> <p>(b) between the bank and 2 or more parties making adverse claims to money in an account of the customer where the bank seeks relief by way of interpleader; or</p> <p>(c) between the bank and one or more parties in respect of property, whether movable or immovable, in or over which some right or interest has been conferred or alleged to have been conferred on the bank by the customer or his surety.</p> | <p>All persons to whom the disclosure is necessary for the purpose specified in the first column.</p> | <p><i>Note: Court may order the proceedings to be held in camera [see section 47 (3) and (4)].</i></p> |

THIRD SCHEDULE — *continued*PART I — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---|--|---------------------|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| <p>5. Disclosure is necessary for —</p> <p>(a) compliance with an order or request made under any specified written law to furnish information, for the purposes of an investigation or prosecution, of an offence alleged or suspected to have been committed under any written law; or</p> <p>(b) the making of a complaint or report under any specified written law for an offence alleged or suspected to have been committed under any written law.</p> | <p>Any police officer or public officer duly authorised under the specified written law to carry out the investigation or prosecution or to receive the complaint or report, or any court.</p> | |
| <p>6. Disclosure is necessary for compliance with a garnishee order served on the bank attaching moneys in the account of the customer.</p> | <p>All persons to whom the disclosure is required to be made under the garnishee order.</p> | |

THIRD SCHEDULE — *continued*PART I — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|--|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 7. Disclosure is necessary for compliance with an order of the Supreme Court or a Judge thereof pursuant to the powers conferred under Part IV of the Evidence Act (Cap. 97). | All persons to whom the disclosure is required to be made under the court order. | |
| 8. Where the bank is a bank incorporated outside Singapore, the disclosure is strictly necessary for compliance with a request made by its parent supervisory authority solely in connection with the supervision of the bank. | The parent supervisory authority of the bank incorporated outside Singapore. | <p>(a) No deposit information shall be disclosed to the parent supervisory authority.</p> <p>(b) The parent supervisory authority is prohibited by the laws applicable to it from disclosing the customer information obtained by it to any person unless compelled to do so by the laws or courts of the country or territory where it is established.</p> |

THIRD SCHEDULE — *continued*PART I — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|---|---------------------|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 9. Disclosure is in compliance with the provisions of this Act, or any notice or directive issued by the Authority to banks. | The Authority or any person authorised or appointed by the Authority. | |

PART II

FURTHER DISCLOSURE PROHIBITED

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|--|---------------------|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 1. Disclosure is solely in connection with the performance of duties as an officer, or a professional adviser of the bank. | Any — (a) officer of the bank in Singapore; (b) officer designated in writing by the head office of the bank; or (c) auditor, lawyer, consultant or other professional adviser appointed or engaged by the bank under a contract for service. | |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---|---|---------------------|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 2. Disclosure is solely in connection with the conduct of internal audit of the bank or the performance of risk management. | <p>In the case of —</p> <p>(a) a bank incorporated outside Singapore —</p> <p>(i) the head office or parent bank of the bank;</p> <p>(ii) any branch of the bank outside Singapore designated in writing by the head office of the bank; or</p> <p>(iii) any related corporation of the bank designated in writing by the head office of the bank; or</p> | |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---|--|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| | <p>(b) a bank incorporated in Singapore —</p> <p>(i) the parent bank; or</p> <p>(ii) any related corporation of the bank designated in writing by the head office of the bank.</p> | |
| 3. Disclosure is solely in connection with the performance of operational functions of the bank where such operational functions have been out-sourced. | Any person including the head office of the bank or any branch thereof outside Singapore which is engaged by the bank to perform the out-sourced functions. | If any out-sourced function is to be performed outside Singapore, the disclosure shall be subject to such conditions as may be specified in a notice issued by the Authority or otherwise imposed by the Authority. |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|---|--|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| <p>4. Disclosure is solely in connection with —</p> <p>(a) the merger or proposed merger of the bank or its financial holding company with another company; or</p> <p>(b) any acquisition or issue, or proposed acquisition or issue, of any part of the share capital of the bank or its financial holding company, whether or not the merger or acquisition is subsequently entered into or completed.</p> | <p>Any person participating or otherwise involved in the merger, acquisition or issue, or proposed merger, acquisition or issue, including any of his lawyers or other professional advisers (whether or not the merger or acquisition is subsequently entered into or completed).</p> | |
| <p>5. Disclosure is solely in connection with the restructure, transfer or sale, or proposed restructure, transfer or sale, of credit facilities (whether or not the restructure, transfer or sale is subsequently entered into or completed).</p> | <p>Any transferee, purchaser or any other person participating or otherwise involved in the restructure, transfer or sale, or proposed restructure, transfer or sale, including any of his lawyers or other professional advisers (whether or not the restructure, transfer or sale is subsequently entered into or completed).</p> | <p>No customer information, other than information relating to the relevant credit facilities, shall be disclosed.</p> |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---|---|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 6. In the case of a customer who has been issued with a credit or charge card by a bank in Singapore, disclosure is strictly necessary for notification of the suspension or cancellation of the card by the bank by reason of the customer's default in payment to the bank. | Any financial institution in Singapore which issues credit or charge cards. | No customer information, other than information relating to the following, may be disclosed: <ul style="list-style-type: none">(a) the customer's name and identity;(b) the amount of the debt outstanding on the customer's credit or charge card;(c) the date of suspension or cancellation of the customer's credit or charge card, as the case may be. |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|--|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| <p>7. Disclosure is strictly necessary —</p> <p>(a) for the collation, synthesis or processing of customer information by the credit bureau for the purposes of the assessment of the credit-worthiness of the customers of banks; or</p> <p>(b) for the assessment, by other members of the credit bureau specified in the second column, of the credit-worthiness of the customers of banks.</p> | <p>Any —</p> <p>(a) credit bureau of which the bank is a member;</p> <p>(b) other member of the credit bureau that is —</p> <p>(i) a bank or merchant bank; or</p> <p>(ii) a person, or a person belonging to a class of persons, recognised by the Authority, by notification published in the <i>Gazette</i>, as authorised to receive the information,</p> <p>where that member receives such information from the credit bureau.</p> | <p>(a) No deposit information shall be disclosed.</p> <p>(b) The disclosure by any credit bureau to any person referred to in paragraph (b) of the second column shall be subject to such conditions as may be specified in a notice issued by the Authority or otherwise imposed by the Authority.</p> |

THIRD SCHEDULE — *continued*PART II — *continued*

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|--|---|---|
| Purpose for which customer information may be disclosed | Persons to whom information may be disclosed | Conditions |
| 8. Disclosure is strictly necessary for the assessment of the credit-worthiness of the customer in connection with or relating to a bona fide commercial transaction or a prospective commercial transaction. | Any other bank or merchant bank in Singapore. | No customer information, other than information of a general nature and not related to the details of the customer's account with the bank, shall be disclosed. |
| 9. Disclosure is solely in connection with the promotion, to customers of the bank in Singapore, of financial products and services made available in Singapore by any financial institution specified in the second column. | Any financial institution in Singapore which is licensed or otherwise regulated by the Authority. | No customer information, other than the customer's name, identity, address, and contact number shall be disclosed. |

PART III

INTERPRETATION

In this Schedule, unless the context otherwise requires —

“appointed personal representative”, in relation to a deceased person, means a person appointed as executor or administrator of the estate of the deceased person;

“credit bureau” means a credit bureau recognised as such by the Authority by notification in the *Gazette* for the purposes of this Schedule;

“lawyer” means an advocate and solicitor of the Supreme Court of Singapore, or any person who is duly authorised or registered to practise law in a country or territory other than Singapore by a foreign authority having the function conferred by law of authorising or registering persons to practise law in that country or territory;

THIRD SCHEDULE — *continued*PART III — *continued*

“merchant bank” means a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

“public officer” includes any officer of a statutory board;

“specified written law” means the Companies Act (Cap. 50), the Criminal Procedure Code (Cap. 68), the Goods and Services Tax Act (Cap. 117A), the Income Tax Act (Cap. 134), the Internal Security Act (Cap. 143), the Kidnapping Act (Cap. 151) and the Prevention of Corruption Act (Cap. 241);

“surety”, in relation to a customer of a bank, includes any person who has given the bank security for the liability of the customer by way of a mortgage or a charge.

[23/2001]

LEGISLATIVE HISTORY

BANKING ACT (CHAPTER 19)

1. Act 41 of 1970 — Banking Act 1970

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 22.7.70 (Bill No. 29/70 published on 28.7.70) |
| Date of Second and Third Readings | : | 2.9.70 |
| Date of commencement | : | 1.1.71 |

2. Act 6 of 1983 — Banking (Amendment) Act 1983

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 3.12.82 (Bill No. 22/82 published on 8.12.82) |
| Date of Second and Third Readings | : | 4.3.83 |
| Date of commencement | : | 22.4.83 |

3. Act 2 of 1984 — Banking (Amendment) Act 1984

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 20.12.83 (Bill No. 15/83 published on 27.12.83) |
| Date of Second and Third Readings | : | 17.1.84 |
| Date of commencement | : | 9.3.84 |

4. Act 16 of 1993 — Supreme Court of Judicature (Amendment) Act 1993
(Consequential amendments made by)

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 26.2.93 (Bill No. 12/93 published on 27.2.93) |
| Date of Second and Third Readings | : | 12.4.93 |
| Date of commencement | : | 1.7.93 |

5. Act 28 of 1993 — Banking (Amendment) Act 1993

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 30.7.93 (Bill No. 22/93 published on 31.7.93) |
| Date of Second and Third Readings | : | 30.8.93 |
| Date of commencement | : | 8.10.93 |

6. Act 21 of 1996 — Banking (Amendment) Act 1996

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 2.5.96 (Bill No. 12/96 published on 3.5.96) |
| Date of Second and Third Readings | : | 21.5.96 |
| Date of commencement | : | 18.7.96 |

LEGISLATIVE HISTORY

BANKING ACT (CHAPTER 19)

7. Act 27 of 1998 — Banking (Amendment) Act 1998

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 1.6.98 (Bill No. 20/98 published on 2.6.98) |
| Date of Second and Third Readings | : | 29.6.98 |
| Date of commencement | : | 10.7.98 |

8. Act 37 of 1998 — Post Office Savings Bank of Singapore (Transfer of Undertakings and Dissolution) Act 1998

(Consequential amendments made by)

| | | |
|-----------------------------------|---|---|
| Date of First Reading | : | 31.7.98 (Bill No. 34/98 published on 1.8.98) |
| Date of Second and Third Readings | : | 12.10.98 |
| Date of commencement | : | 16.11.98 |
| | : | 16.11.98 (Transfer Date) |
| | : | 25.5.99 (Appointed Day) |

9. Act 25 of 1999 — Drug Trafficking (Confiscation of Benefits) (Amendment) Act 1999

(Consequential amendments made by)

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 4.5.99 (Bill No. 16/99 published on 5.5.99) |
| Date of Second and Third Readings | : | 6.7.99 |
| Date of commencement | : | 13.9.99 |

10. Act 23 of 2001 — Banking (Amendment) Act 2001

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 19.4.2001 (Bill No. 21/2001 published on 20.4.2001) |
| Date of Second and Third Readings | : | 16.5.2001 |
| Date of commencement | : | 18.7.2001 |

LEGISLATIVE HISTORY

BANKING ACT (CHAPTER 19)

11. Act 42 of 2001 — Securities and Futures Act 2001

| | | |
|-----------------------------------|---|--|
| Date of First Reading | : | 25.9.2001 (Bill No. 33/2001 published on 26.9.2001) |
| Date of Second and Third Readings | : | 5.10.2001 |
| Date of commencement | : | 1.1.2002 (Parts I, VIII, IX, X and XV (except sections 314 and 342 (1) and (3)), First Schedule, Second Schedule and items (4) (<i>o</i>) and (<i>q</i>) and (7) (<i>c</i>) of the Fourth Schedule) 1.7.2002 (Parts XIII and XIV, and items (1) (<i>a</i>), (3) (<i>a</i>), (4) (<i>a</i>) (i), (iii) to (ix), (<i>b</i>), (<i>c</i>), (<i>f</i>), (<i>g</i>), (<i>h</i>), (<i>i</i>), (<i>l</i>), (<i>m</i>), (<i>t</i>) and (<i>u</i>), (7) (<i>b</i>), (12) and (13) of the Fourth Schedule) 1.10.2002 (Parts II to VII, XI and XII, sections 314 and 342 (1) and (3), Third Schedule and items (1) (<i>b</i>), (2), (3) (<i>b</i>), (4) (<i>a</i>) (ii), (<i>d</i>), (<i>e</i>), (<i>j</i>), (<i>k</i>), (<i>n</i>), (<i>p</i>), (<i>r</i>), (<i>s</i>) and (<i>v</i>), (5), (6) and (7) (<i>a</i>) and (<i>d</i>) and (8) to (11) of the Fourth Schedule. |

COMPARATIVE TABLE

BANKING ACT (CHAPTER 19)

The following provisions in the 1999 Revised Edition of the Banking Act have been renumbered by the Law Revision Commissioners in this 2003 Revised Edition.

This Comparative Table is provided for the convenience of users. It is not part of the Banking Act.

| 2003 Ed. | 1999 Ed. |
|-----------------------|---|
| — | 2—(3) (<i>Deleted by Act 23/2001</i>) |
| 4B—(1) and (2) | 4B—(1) |
| (3) to (10) | (2) to (9) |
| — | 9A—(7) (<i>Spent</i>) |
| 10—(3) | 10—(2A) |
| (4) | (3) |
| — | 14A—(7) (<i>Deleted by Act 23/2001</i>) |
| 14A—(7) | (8) |
| — | 24 (<i>Repealed by Act 23/2001</i>) |
| 25—(3) | 25—(2A) |
| (4) | (3) |
| — | (4), (5), (5A), (6), (7), (7A) and (8) (<i>Deleted by Act 23/2001</i>) |
| (5) | (9) |
| — | 26—(2) (<i>Omitted, being obsolete by virtue of MAS Notice 610 to Banks issued under section 26 (1)</i>) |
| 26—(2) | (2A) |
| (3) and (4) | (2B) and (2C) |
| — | (3) (<i>Omitted, being obsolete by virtue of MAS Notice 610 to Banks issued under section 26 (1)</i>) |
| (5) to (8) | (4) to (7) |

| 2003 Ed. | 1999 Ed. |
|-----------------------|---|
| 44 | 44—(1) |
| — | (2) (<i>Deleted by Act 23/2001</i>) |
| — | 46A (<i>Repealed by Act 23/2001</i>) |
| 54—(2) and (3) | 54—(2) |
| (4) | (3) |
| 55 | 54A |
| 56 | 55 |
| — | 56 (<i>Repealed by Act 23/2001</i>) |
| — | 57 (<i>Repealed by Act 23/2001</i>) |
| — | 59A (<i>Repealed by Act 39/2002</i>) |
| 77A—(3) | 77A—(2A) |
| (4) to (9) | (3) to (8) |
| 78—(3) | 78—(2A) |
| (4) and (5) | (3) and (4) |
| — | First Schedule (<i>Omitted, being obsolete by virtue of MAS Notice 610 to Banks issued under section 26 (1)</i>) |
| — | Second Schedule (<i>Omitted, being obsolete by virtue of MAS Notice 610 to Banks issued under section 26 (1)</i>) |
| — | Third Schedule (<i>Omitted, being obsolete by virtue of MAS Notice 610 to Banks issued under section 26 (1)</i>) |
| First Schedule | Fourth Schedule |
| Second Schedule | Fifth Schedule |
| Third Schedule | Sixth Schedule |