
First published in the *Government Gazette*, Electronic Edition, on 29th September 2005 at 5:00 pm.

No. S 622

BANKING ACT
(CHAPTER 19)

BANKING
(AMENDMENT)
REGULATIONS 2005

In exercise of the powers conferred by sections 30 (1) (*d*) and 78 (1) of the Banking Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Banking (Amendment) Regulations 2005 and shall come into operation on 29th September 2005.

Deletion and substitution of heading to Part IX

2. Part IX of the Banking Regulations (Rg 5) is amended by deleting the Part heading and substituting the following Part heading:

“PRESCRIBED BUSINESSES”.

Amendment of regulation 20

3. Regulation 20 of the Banking Regulations is amended by inserting, immediately before the definition of “building”, the following definition:

“ “asset” includes any commodity as defined in section 2 of the Commodity Trading Act (Cap. 48A);”.

New regulation 22

4. The Banking Regulations are amended by inserting, immediately after regulation 21, the following regulation:

“Prescribed alternative financing business

22.—(1) For the purposes of section 30 (1) (*d*) of the Act, and subject to paragraph (2), the Authority hereby prescribes the business of purchasing and selling assets as a business that any

bank in Singapore may carry on, or enter into any partnership, joint venture or other arrangement with any person to carry on, if such business is carried on under the following arrangement:

- (a) the bank, at the request of and for the purpose of financing the purchase of each of those assets by a customer, purchases the asset from the seller in circumstances where the asset is existing at the time of the purchase;
 - (b) the bank sells the asset to the customer;
 - (c) the customer is under a legal obligation to the bank to take delivery of the asset;
 - (d) the amount payable by the customer for the asset (the marked-up price) is greater than the amount paid by the bank for the asset (the original price), and the difference between the marked-up price and original price is the profit or return to the bank for providing such financing to the customer;
 - (e) the bank does not derive any gain or suffer any loss from any movement in the market value of the asset other than as part of the profit or return referred to in sub-paragraph (d); and
 - (f) the marked-up price or any part thereof is not required to be paid until after the date of the sale.
- (2) The bank shall notify the Authority of its —
- (a) intention to commence the business referred to in paragraph (1); or
 - (b) commencement of such business within 14 days after the commencement of such business.”.

Made this 28th day of September 2005.

HENG SWEE KEAT
Managing Director,
Monetary Authority of Singapore.