



RESPONSE TO FEEDBACK RECEIVED – CONSULTATION ON PROPOSED AMENDMENTS TO MAS NOTICE 637 ON RISK BASED CAPITAL ADEQUACY REQUIREMENTS FOR BANKS INCORPORATED IN SINGAPORE

1 Introduction

1.1 On 17 August 2011, MAS issued a consultation paper inviting Singapore-incorporated banks (“Reporting Banks”) and interested parties to comment on proposed amendments to MAS Notice 637. The proposed amendments incorporated the Basel Committee on Banking Supervision’s (“BCBS”) Pillar 3 disclosure requirements on remuneration, issued on 1 July 2011 to support the disclosure of clear, timely, and easily comparable information on remuneration practices in banks.

1.2 We have carefully considered the feedback received, and where appropriate, have incorporated them into Part XI of MAS Notice 637. These requirements will take effect from 31 Dec 2011 and will apply to Pillar 3 disclosures made after that date. General comments which are of wider interest, together with our response, are set out below. We would like to thank all respondents for their comments.

2 Quantitative Remuneration Disclosures

2.1 Respondents who commented on the quantitative disclosure requirements set out in the new Table 11-15 highlighted the concern that disclosing certain elements of the requirements for senior management

and material risk takers may result in the remuneration of specific individuals, and/or the bonus pools for a select group of staff, being disclosed.

MAS' Response

2.2 Subdivision 4 of Division 2 of Part XI of MAS Notice 637 allows a Reporting Bank to omit certain disclosures if the omitted item is not material, or if the omitted item is proprietary or confidential in nature, and would seriously prejudice the position of the Reporting Bank if disclosed. In omitting disclosures, the Reporting Bank should be able to demonstrate to MAS that the omitted information falls within the categories in Subdivision 4 of Division 2 of Part XI. In the case of a quantitative disclosure, the Reporting Bank has to provide a reason for the omission and disclose qualitative information about the subject matter of the requirement.

3 Remuneration Paid to Remuneration Committee Members

3.1 A Reporting Bank noted that it may not be practical to specify the proportion of the remuneration payable to members of the Remuneration Committee (RC) that is attributable to their contribution as RC members (Table 11-15, item (g)). Such members could be holding multiple roles and are remunerated for their overall contribution to the Bank.

MAS' Response

3.2 The disclosure of the *total* remuneration of each member of the RC will suffice.

MONETARY AUTHORITY OF SINGAPORE
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