

RESPONSE TO FEEDBACK RECEIVED

December 2017

Proposed Amendments to Disclosure Requirements under MAS Notices 637, 651 and 653

MAS

Monetary Authority of Singapore

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1 Preface

1.1 On 10 July 2017, MAS consulted on proposed amendments to disclosure requirements under MAS Notices 637¹, 651² and 653³.

1.2 The consultation period closed on 7 August 2017, and MAS thanks all respondents for their feedback⁴. The list of respondents is in Annex A.

1.3 MAS has considered the feedback received carefully and, where appropriate, has incorporated them into the revised notices. Comments that are of wider interest, together with MAS' responses, are set out in sections 2 and 3 of this paper.

1.4 The revised MAS Notices 637 and 651 will take effect from 31 December 2017 unless otherwise stated, while MAS Notice 653 will take effect from 1 January 2018.

¹ Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore

² Liquidity Coverage Ratio Disclosure

³ Net Stable Funding Ratio Disclosure

⁴ See Annex A for the list of respondents and Annex B for the submissions from respondents.

2 Revised Disclosure Requirements under MAS Notice 637

Disclosure of original and fully loaded Expected Credit Loss (“ECL”) capital figures under Table 11-1A⁵

2.1 Some respondents sought clarification on whether the same amount shall be reported for current and fully loaded ECL capital figures under Table 11-1A.

MAS’ Response

2.2 The capital figures to be disclosed in rows 1, 2, 3, 5, 6, 7 and 14 of Table 11-1A shall be on a fully loaded basis⁶. Therefore, separate disclosure of fully loaded ECL capital figures in rows 1a, 2a, 3a, 5a, 6a, 7a and 14a is no longer required. Table 11-1A has been revised accordingly.

Computation of countercyclical buffer amount under Table 11-46⁷

2.3 Some respondents asked whether the countercyclical buffer amount in column (d) should be calculated as the product of the bank-specific countercyclical buffer requirement in column (c) and the total RWA for private sector credit exposures in column (b).

MAS’ Response

2.4 The countercyclical buffer amount shall be calculated as the product of the bank-specific countercyclical buffer requirement and total RWA, not just that arising from private sector credit exposures. This is set out in row (g) of Table 11-47 of the revised MAS Notice 637.

Frequency of disclosure for Tables 11B-1 and 11G-1⁸

2.5 Some respondents requested for less frequent disclosure of Tables 11B-1 and 11G-1 to reduce operational burden, and in view that certain items under Table 11B-1 were already disclosed on a quarterly basis under Table 11-1A.

⁵ Table 11-1A: Key Metrics

⁶ Includes the full impact from loss allowances under the ECL accounting model as well as any additional loss allowances maintained in relation to the minimum regulatory loss allowance requirement under the revised MAS Notice 612, which is expected to be published by end 2017.

⁷ Table 11-46: Geographical Distribution of Credit Exposures Used in the Countercyclical Capital Buffer

⁸ Table 11G-1: Leverage Ratio Common Disclosure Template

MAS' Response

2.6 The required frequency of disclosure for Tables 11B-1 and 11G-1 are consistent with the frequencies set out in the revised Pillar 3 disclosure requirements⁹ issued by the Basel Committee on Banking Supervision and are intended to ensure greater consistency and comparability of disclosure across Reporting Banks.

2.7 Table 11-1A requires Reporting Banks to disclose the headline capital figures only while Table 11B-1 requires Reporting Banks to provide a more detailed breakdown of their composition of capital. Thus, the quarterly disclosure of Table 11-1A does not make the semi-annual disclosure of Table 11B-1 less relevant.

3 Revised Disclosure Requirements under MAS Notices 651 and 653

Mandatory quantitative and qualitative information items

3.1 Some respondents asked whether they will be required to disclose quantitative and qualitative information relating to all items listed in footnotes 4 and 5 of MAS Notice 651.

MAS' Response

3.2 Items in footnotes 4 and 5 are suggestions – Reporting Banks are not required to disclose all items in these footnotes.

Timing of LCR and NSFR disclosures

3.3 Prior to the proposed amendments to MAS Notice 651, the frequency of LCR disclosure was tied to the publication of Reporting Banks' financial statements. With the change in the LCR disclosure frequency to quarterly, some respondents that do not publish quarterly financial statements asked about the timing for LCR disclosure that they should adhere to. Respondents also asked about the NSFR disclosure timing under the proposed MAS Notice 653.

MAS' Response

3.4 For LCR and NSFR disclosures required to be made on a quarterly or semi-annual basis, a Reporting Bank which issues quarterly financial statements shall publish the information concurrently with the publication of its quarterly financial statements, and no

⁹ <http://www.bis.org/bcbs/publ/d400.htm>

later than 45 days after the end of each quarter. A Reporting Bank which does not issue quarterly financial statements shall publish the information no later than 45 days after the end of each quarter.

Inclusion of LCR and NSFR information or link to LCR and NSFR information in published financial statements under MAS Notices 651 and 653

3.5 Some respondents that do not publish quarterly financial statements sought clarification on how Reporting Banks may comply with paragraph 6 of MAS Notice 651 and paragraph 7 of MAS Notice 653 as shown below, given that the frequency of LCR and NSFR disclosures will not be tied to the publication of Reporting Banks' financial statements.

A D-SIB shall –

- (a) publish the quantitative information and qualitative information in its published financial statements; or
- (b) provide a direct and prominent link in its published financial statements to the quantitative information and qualitative information –
 - (i) on its website; or
 - (ii) in any of its regulatory reports.

MAS' Response

3.6 A Reporting Bank that publishes financial statements annually instead of quarterly may comply with paragraph 6 of MAS Notice 651 and paragraph 7 of MAS Notice 653 under limb (b). For example, the Reporting Bank can publish the quantitative and qualitative information on its website on a quarterly basis, and provide a link to the information in its financial statements.

MONETARY AUTHORITY OF SINGAPORE

28 December 2017

Annex A

**LIST OF RESPONDENTS TO THE CONSULTATION PAPER ON
PROPOSED AMENDMENTS TO DISCLOSURE REQUIREMENTS
UNDER MAS NOTICES 637, 651 AND 653**

1. DBS Bank Ltd
2. Citibank Singapore Limited
3. HSBC Bank (Singapore) Limited
4. Malayan Banking Berhad
5. Oversea-Chinese Banking Corporation Limited
6. Standard Chartered Bank (Singapore) Limited
7. United Overseas Bank Limited

Please refer to Annex B for the submissions.

Annex B

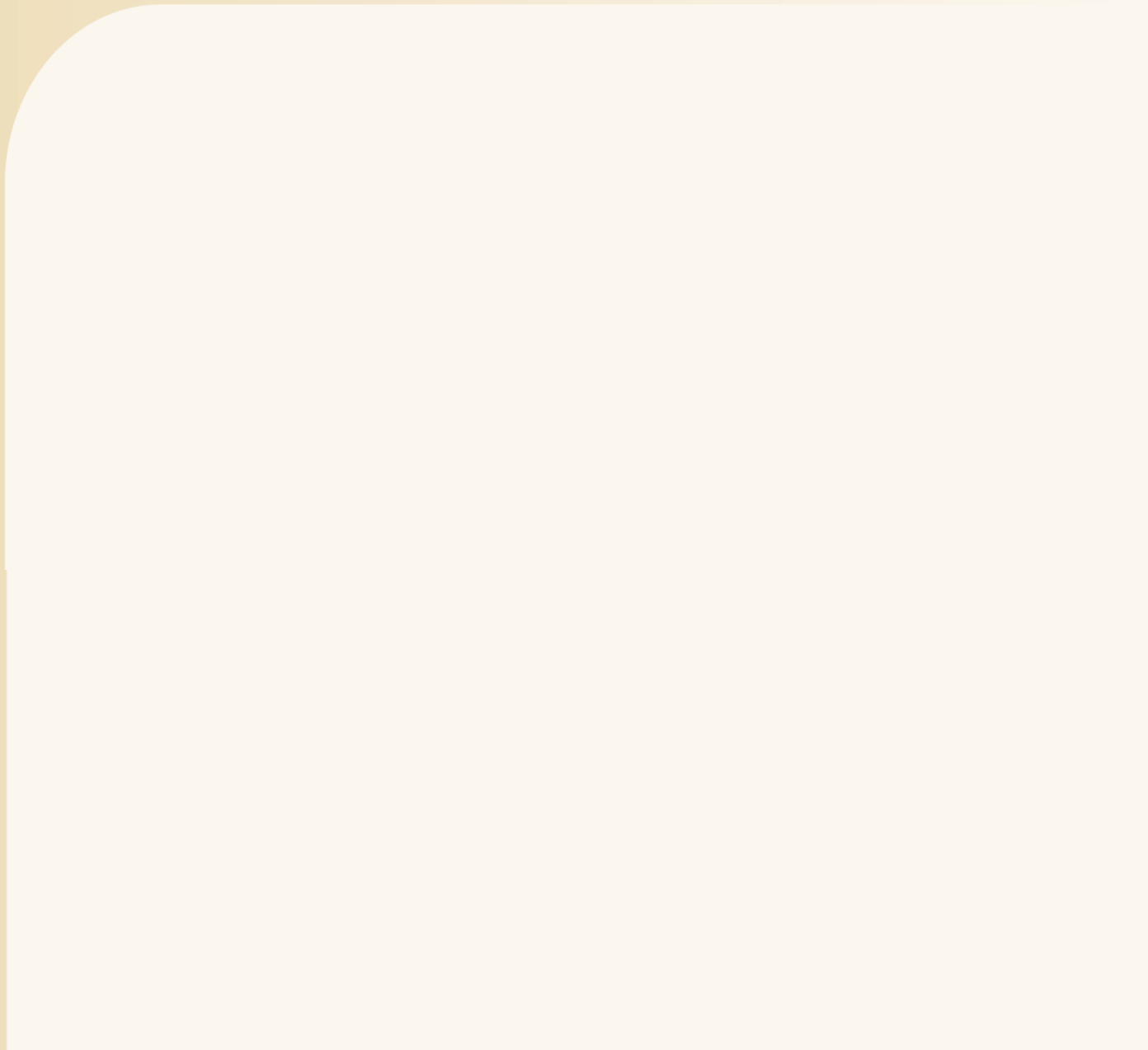
**SUBMISSIONS FROM RESPONDENTS TO THE CONSULTATION PAPER ON
PROPOSED AMENDMENTS TO DISCLOSURE REQUIREMENTS
UNDER MAS NOTICES 637, 651 AND 653**

Note: The table below only includes submissions for which respondents did not request confidentiality.

S/N	Respondent	Feedback from respondent									
1	Citibank Singapore Limited	<p>General comments:</p> <p>The following comments are making reference to “Proposed Amendments to MAS Notice 651”</p> <ol style="list-style-type: none"> 1. Para. 5 states “A D-SIB shall publish quarterly ...” without further elaboration on the reporting timeline. Subsequent to the consultation paper, will there be a sub-paragraph with stipulated submission timeline being inserted <ol style="list-style-type: none"> a. The bank will like to highlight the multiple submissions of notices at every quarterly/semi-annual period (refer below summarised table) is likely to put extreme strain on resources as workload potentially increases by as much as three/fourfold. This needs to be taken into consideration when finalising various notices submission timin <table border="1" data-bbox="568 1554 1358 1975"> <thead> <tr> <th>MAS Notice</th> <th>Frequency (Current)</th> <th>Frequency (Proposed)</th> </tr> </thead> <tbody> <tr> <td>649 (LCR)</td> <td>Monthly (Country – 10th calendar day; D-SIB – 20th calendar day)</td> <td>The latest proposed MAS 610 submission deadline is 14th calendar day so it will make sense for the Country CLE submission to be similarly extended, preferably to 15th calendar day given the same set of balance sheet.</td> </tr> <tr> <td>651 (LCR Disclosure)</td> <td>Annual (publication of Financial Statement)</td> <td>Quarterly (proposed 60 calendar days from the last quarter)</td> </tr> </tbody> </table>	MAS Notice	Frequency (Current)	Frequency (Proposed)	649 (LCR)	Monthly (Country – 10 th calendar day; D-SIB – 20 th calendar day)	The latest proposed MAS 610 submission deadline is 14 th calendar day so it will make sense for the Country CLE submission to be similarly extended, preferably to 15 th calendar day given the same set of balance sheet.	651 (LCR Disclosure)	Annual (publication of Financial Statement)	Quarterly (proposed 60 calendar days from the last quarter)
MAS Notice	Frequency (Current)	Frequency (Proposed)									
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651 (LCR Disclosure)	Annual (publication of Financial Statement)	Quarterly (proposed 60 calendar days from the last quarter)									

		652 (NSFR)	N.A.	Quarterly (30 days from last quarter) per the Final Notice
		653 (NSFR Disclosure)	N.A.	Semi-Annual (proposed 60 calendar days from the last quarter)
		<p>2. Para. 5 is being proposed to be amended to quarterly with deletion of reference to publication of its financial statement and yet existing Para 6 was not amended but continues to make reference to published financial statements. Need clarification for D-SIBs that does not provide quarterly financial statement, how does it adhere to Para. 6 that states “A D-SIB shall ... publish the quantitative information and qualitative information in its published financial statements ...”</p> <p>3. Footnote 1 in the original notice has been amended and now being read as footnote 2. There is nothing in the consultation paper to indicate what is now covered under Footnote 1.</p> <p>The following comments are making reference to “Proposed Amendments to MAS Notice 653” and similar in nature to MAS Notice 651</p> <p>1. Again, para. 5 states “A D-SIB shall publish semi-annually ...” without further elaboration on the reporting timeline. Subsequent to the consultation paper, will there be a subparagraph with stipulated timeline being inserted</p> <p style="padding-left: 40px;">a. The bank will like to iterate the concern in the submission timeline during quarterly/semi-annual interval</p> <p>2. Para. 5 is being proposed to be amended to semi-annual publication but for a D-SIB that does not provide semi-annual financial statement, how does it adhere to Para. 6 that states “A D-SIB shall ... publish the quantitative information and qualitative information in its published financial statements ...”</p>		

		<p>The following comments relate to MAS Notice 637:</p> <p>On sub-division 13-Macroprudential Supervisory Measures, the information requested in table 11-46 Geographical Distribution of Credit Exposure used in the countercyclical capital buffer look similar to Schedule 1D Countercyclical buffer in the MAS 637 quarterly return. Would the same information be sufficient? We can supplement it with a narrative to include information about the drivers for changes in the exposure amounts. Another question is whether we can do it on a quarterly basis instead of semi-annual so that we can have one template for the disclosure instead of a quarterly template and semi-annual template.</p>
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