

CONSULTATION PAPER

P014 - 2017

August 2017

Proposed Enhancements to the Deposit Insurance Scheme and Legislative Amendments to the Deposit Insurance and Policy Owners' Protection Schemes Act and Regulations

MAS

Monetary Authority of Singapore

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1 Preface

1.1 The deposit insurance scheme ("DI Scheme") in Singapore was established in 2006 with the primary objective of protecting small depositors. The Singapore Deposit Insurance Corporation ("SDIC") administers the DI Scheme and has systems and processes to provide speedy compensation for insured depositors in the event of a DI payout.

1.2 The Monetary Authority of Singapore ("MAS"), in consultation with SDIC, conducts periodic reviews of the DI Scheme to ensure adequacy of depositor protection while limiting the cost of the Scheme. Key enhancements at the last review in May 2011 included the increase in DI coverage limit from \$20,000 to \$50,000.

1.3 MAS has since reviewed the Scheme. This consultation paper sets out recommendations to enhance various features of the DI Scheme. In addition, the consultation paper also sets out recommendations to improve the overall operational efficacy of both the DI Scheme and the Policy Owners' Protection Scheme ("PPF Scheme"), which are both governed under the Deposit Insurance and Policy Owners' Protection Schemes Act ("DI-PPF Act"). MAS is also consulting on legislative amendments to effect the proposed changes, and other amendments consulted upon previously.

1.4 MAS invites comments from DI Scheme Members, PPF Scheme Members and other interested parties.

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like (i) their whole submission or part of it, or (ii) their identity along with their whole submission, to be kept confidential, please expressly state so in the submission to MAS. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

1.5 Please submit written comments by 4 September 2017 to –

Prudential Policy Department
Monetary Authority of Singapore
10 Shenton Way, MAS Building
Singapore 079117
Fax: (65) 62203973
Email: prudential_policy_dept@mas.gov.sg

1.6 Electronic submission is encouraged. We would appreciate that you use this [suggested template](#) for your submission to ease our collation efforts.

2 DI Scheme – Coverage Limit, DI Fund and Premium Rates

Raising the coverage limit

2.1 The DI Scheme insures Singapore dollar deposits held at a full bank or finance company in Singapore (“Scheme Member”), up to S\$50,000. In 2011, 91% of depositors were fully covered. The percentage of fully-covered depositors has since fallen to 87%.

2.2 We propose raising the coverage limit from S\$50,000 to S\$75,000. This will restore the percentage of depositors fully insured to 91% of non-bank depositors without significantly raising the cost of the Scheme. The increase in DI coverage limit will be implemented in 2018.

Question 1. MAS seeks comments on the proposal to enhance depositor protection by raising the DI coverage limit from S\$50,000 to S\$75,000 per depositor per Scheme Member.

DI premiums and fund build-up period

2.3 Scheme Members pay annual premiums to the DI Scheme to build up a target DI fund equivalent to 30 basis points of total insured deposits. Each Scheme Member currently pays annual premiums of between 2 and 7 basis points (0.02%-0.07%) of their insured deposit base, depending on their incorporation status and asset maintenance ratio (“AMR”).

2.4 With an enlarged insured deposit base under the proposed increase in coverage limit and growth in deposits, the absolute size of the DI Fund will increase even with the target fund size maintained at 30 basis points of insured deposits. To achieve the target fund size within a reasonable period while limiting the increase in premium rates, we propose to:

- (a) build up the DI Fund over a 10-year period, from the date of implementation of the increase in DI coverage limit, i.e. extend the build-up period from the current target date of 2020 to 2028; and
- (b) raise annual premium rates as set out in the table below:

Table 1: Revised Annual Premium Rates

	Locally incorporated or AMR of more than 5	AMR of more than 2 but not more than 5	AMR of 2 or less
Existing rates	2bps	3bps	7bps
Proposed rates	2.5bps	3.5bps	8bps

Question 2. MAS seeks comments on the proposal to achieve the target fund size within a reasonable period by (i) extending the build-up period of the DI Fund to 2028; and (ii) to revise the annual premium rates to between 2.5bps and 8bps.

3 Enhancing Operational Efficacy and Clarity

Protecting SDIC's directors, officers, agents and employees who act in good faith

3.1 The DI-PPF Act currently provides legal protection for SDIC's directors, officers, agents and employees, where they carry out their duties with reasonable care¹ and in good faith.

3.2 To strengthen legal protection for SDIC, MAS proposes to amend the DI-PPF Act to provide legal protection and indemnification for former and current directors, officers, agents and employees for reasonable legal costs and expenses incurred in connection with actions taken or omissions in good faith, in the normal course of their duties. This supports SDIC in performing its role to make prompt compensation payments to depositors, insured policy owners or beneficiaries.

¹ To enable SDIC's directors and employees to carry out their functions with greater assurance and timeliness, and facilitate pay-out to depositors, insured policy owners or beneficiaries within a short timeframe, MAS consulted on the removal of the "reasonable care" requirement in 2014. The "reasonable care" requirement will be removed in the upcoming amendments to the DI-PPF Act.

Question 3. MAS seeks comments on the proposal to provide legal protection and indemnification for former and current directors, officers, agents and employees for reasonable legal costs and expenses incurred in connection with actions taken or omissions in good faith, in the normal course of their duties.

Requiring the liquidator to cooperate with SDIC

3.3 To ensure prompt payout, SDIC requires speedy access to information on insured depositors and policy owners, and insured deposits and policies. It is therefore imperative that the liquidator of a DI or PPF Scheme Member cooperates with SDIC, for instance, to retain key personnel and ensure that the necessary information technology systems remain operational.

3.4 We propose to insert in the DI-PPF Act, a general obligation on the liquidator to cooperate with SDIC in respect of both the DI and PPF Schemes. MAS will also be empowered to specify, by way of written notice, the assistance required to facilitate a compensation payout.

3.5 This is aligned with the recommendation in the Core Principles for Effective Deposit Insurance Systems ("Core Principles")², developed by the International Association of Deposit Insurers ("IADI").

Question 4. MAS seeks comments on the proposal to require the liquidator to cooperate with SDIC in respect of both the DI and PPF Schemes, by:

- (a) imposing a general statutory obligation on the liquidator to cooperate; and
- (b) empowering MAS to specify in a written notice the assistance required from the liquidator.

Clarifying SDIC's right to create charges over assets

3.6 SDIC is empowered to borrow to fund a compensation payout where the DI Fund or PPF Funds are insufficient. To enable SDIC to borrow on more favourable terms, MAS proposes to amend the DI-PPF Act to clarify that SDIC can create charges over the assets in the DI Fund and PPF Funds to secure loans for making compensation payouts under the DI-PPF Act.

² These Core Principles are only applicable for deposit insurance schemes.

Question 5. MAS seeks comments on the proposal to clarify that SDIC can create charges over the assets in the DI Fund and PPF Funds, for the purposes of securing loans for making compensation payouts under the DI-PPF Act.

Prohibiting the purchase of assets of failed Scheme Members

3.7 To ensure objectivity and impartiality in the management and disposal of the assets of the failed Scheme Member, we propose to prohibit entities and agents working on behalf of SDIC or MAS from purchasing assets of failed Scheme Members, except with the prior approval of MAS. This is in line with the recommendation in the IADI Core Principles.

Question 6. MAS seeks comments on the proposal to prohibit entities and agents working on behalf of SDIC or MAS from purchasing assets of failed DI and PPF Scheme Members, except with the approval of MAS.

Ensuring accuracy of information to SDIC and MAS

3.8 Sections 64 and 84 of the DI-PPF Act require Scheme Members to disclose to SDIC and MAS information on insured deposits and policies. Such disclosure is critical to the effective operation of the DI and PPF Schemes, which include premium calculation and compensation payout.

3.9 We propose to amend Sections 64 and 84 of the DI-PPF Act to require Scheme Members to take reasonable care to ensure that any information disclosed pursuant to those provisions are accurate. The requirement aligns the DI-PPF Act to existing disclosure provisions in the Banking Act and will allow MAS to take action against persistent submissions of erroneous information.

Question 7. MAS seeks comments on the proposal to amend Sections 64 and 84 of the DI-PPF Act to require Scheme Members to take reasonable care to ensure that any information disclosed pursuant to those provisions are accurate.

Budget Autonomy

3.10 Under Section 77 of the DI-PPF Act, SDIC is required to present the annual estimates of the income and expenditure of SDIC, the DI Fund, the PPF Life Fund and the PPF General Fund ("the Funds") to the Minister for approval.

3.11 We propose to amend the DI-PPF Act to allow SDIC to submit three-year block estimates of the income and expenditure of SDIC and the Funds. This allows SDIC to make longer term plans and projections for longer-term strategic initiatives to enhance its operations. SDIC would continue to provide Minister with an annual report of its expenditures and revenues under the approved three-year block estimates.

Question 8. MAS seeks comments on the proposal to allow SDIC to submit three-year block estimates of the income and expenditure of SDIC and the Funds.

4 Proposed Legislative Amendments to the DI-PPF Act

4.1 MAS proposes to amend the DI-PPF Act to effect the proposals highlighted in sections 2 and 3, and other legislative amendments which have been consulted on separately:

- a) "Review of Policy Owners' Protection Scheme – Scope, Coverage & Operational Issues", issued on 18 April 2017; and
- b) "Proposed Amendments to the Deposit Insurance and Policy Owners' Protection Scheme Act", issued on 11 September 2014.

4.2 Key changes to the DI-PPF Act are highlighted in paragraphs 4.3 to 4.5 below, while a summary of the main legislative amendments can be found in [Annex A](#). The full text of the draft amendments to the DI-PPF Act and Regulations is set out in [Annex B](#).

PPF coverage – definition of "personal" insurance policy and introduction of caps for certain property damage claims

4.3 Whilst the PPF Scheme covers specified personal general insurance policies, it is currently not defined in the DI-PPF Act as to what would be considered as a "personal" insurance policy. MAS is proposing to define a "personal" insurance policy as one that is owned by a natural person³. This will provide greater clarity to both insurers and consumers on the scope of coverage under the PPF Scheme, in view of the growing trend of individuals using their personal properties for commercial purposes. The proposed amendment will allow claims on damage to properties owned and used by individuals to

³ This excludes any company or association or body of persons, corporate or incorporate.

be protected under the PPF Scheme, even if these properties are sometimes used for commercial purposes.

4.4 MAS is also proposing to amend Section 48 of the DI-PPF Act to provide for the flexibility for MAS to prescribe caps on compensation payout for certain types of claims within the PPF Regulations. MAS proposes to introduce a cap of:

- a) \$50,000 for own property damage motor claims, for personal motor insurance policies; and
- b) \$300,000 for property damage claims, for personal property (structure and contents) insurance policies.

4.5 The caps will mitigate the exposure of the PPF General Fund to very high property damage claims, which could otherwise translate into higher levies for PPF Scheme members and consequently, higher premium rates for consumers. The above caps would fully cover more than 99% of the claims based on an analysis of the property damage claims of PPF Scheme members over the past three years. The introduction of caps for property damage claims would also be in line with the practice in other jurisdictions with safety nets like the PPF Scheme.

Question 9. MAS seeks comments on the draft legislative amendments to the DI-PPF Act and Regulations, as set out in Annex B.

Annex A

LIST OF KEY LEGISLATIVE AMENDMENTS

Section	Proposed Amendments
DI-PPF Act	
2	<p>To define a “personal” insurance policy as one that is issued to a policy owner who is a natural person.</p> <p>To clarify the definition of “failed DI Scheme Member” and “failed PPF Scheme Member” for the purposes of DI and PPF payout respectively.</p> <p>To clarify the definition of “quantification date” for the computation of DI and PPF compensation payout.</p> <p>To define “settlement option” with the addition of new section 50A to the DI-PPF Act.</p> <p>To define “trust” and “trustee”, in relation to the PPF Scheme, for alignment of payment under the Insurance Act.</p>
10	<p>To allow the DI Fund to be used to pay the cost of enhancing SDIC’s system for the submission of a consolidated claim (for Singapore dollar deposits in excess of the maximum coverage limit) to the liquidator.</p>
21, 46	<p>To include the voluntary winding up of a DI or PPF Scheme member as a trigger for the use of DI, PPF Life or PPF General Funds.</p>
27, 52	<p>To clarify that SDIC is entitled to recover from the failed DI or PPF Scheme member expenses incurred in connection with its communications with depositors, policy owners, trustees, beneficiaries and the public, and other prescribed expenses in the event of a compensation payout.</p>
28A, 54A (new)	<p>To require the liquidator to cooperate with SDIC to facilitate compensation payouts, and to prohibit entities and agents working on behalf of SDIC or MAS from purchasing assets of failed DI and PPF Scheme members, except with the approval of MAS.</p>
35	<p>To make it explicit that the moneys in the PPF Life Fund and PPF General Fund can be used for termination of applicable policies issued by a failed PPF Scheme member.</p>

Section	Proposed Amendments
47	To clarify that the compensation amount for a Category 2 insured policy should be the sum of both the remaining amount of guaranteed sum assured and guaranteed surrender value, at quantification date, where applicable.
47A (new)	To clarify that coverage against accidental death in Singapore for the period between the receipt of the completed application form and acceptance of the proposed risk would be covered under the PPF Scheme for life insurance policies.
48	To provide for the flexibility for MAS to prescribe caps on compensation payout for certain classes or types of claims.
47 and 48	To deduct outstanding premiums from the compensation payout of the PPF Scheme.
47A (new) and 48A (new)	To include the refund of premiums under the coverage of the PPF Scheme, if it is expressly allowed for, in the policy contract.
50A (new)	To clarify that settlement options cannot be exercised once compensation under the PPF Scheme is triggered, and that an existing insured policy would cease to be covered under the PPF Scheme, once instructions have been received to exercise a settlement option.
51	To allow compensation to a trust as well as a beneficiary in respect of accidental death insurance cover under the new s47A as well.
54	To include consideration of the cost of termination of applicable policies issued by the failed PPF Scheme member and the impact of not terminating such applicable policies when determining the use of the PPF Life Fund or PPF General Fund.
57	<p>To clarify that SDIC may create charges over the assets of the DI Fund and PPF Funds.</p> <p>To clarify that SDIC can carry out termination of applicable policies issued by a failed PPF Scheme member and make payment out of the PPF Life Fund or PPF General Fund to fund such termination.</p>

Section	Proposed Amendments
	To include in SDIC's mandate and functions, the submission of a consolidated claim (for Singapore dollar deposits in excess of the maximum coverage limit) to the liquidator.
57 and 77	To allow SDIC to submit three-year block estimates of the income and expenditure of SDIC and the Funds, instead of annual estimates.
58, 59, 92 and Sixth Schedule	To replace "memorandum and articles of association" with "constitution", in line with section 3 of the Companies (Amendment) Act 2014.
64 and 84	To require DI and PPF Scheme members to take reasonable care to ensure that information furnished to MAS under these provisions is accurate.
69	Technical amendment to align language used in subsections (1) and (2).
79	To delete the "reasonable care" requirement for legal protection for current and former directors, officers, agents and employees.
79A (new)	To provide legal indemnity to current and former directors, officers, agents and employees.
82	To allow the Managing Director of MAS to delegate the power of granting exemptions from PPF Scheme membership to Appointed Officers of MAS.
84	To specifically enable MAS to disclose information collected from Scheme members under the DI-PPF Act, where it is required to do so under any written law or by an order of court in Singapore.
92	To effect amendments to section 77 from 1 April 2019.
First Schedule	To raise DI coverage limit to S\$75,000.
Second Schedule	<p>To include riders to Category 3 and Category 4 policies under the coverage of PPF Scheme.</p> <p>To clarify that the coverage of coupon deposits, advance premium payments and unclaimed moneys, is only to the extent that such coupon deposits, advance premium payments and unclaimed moneys have not been factored in the surrender value computation by the PPF Scheme member.</p>

Section	Proposed Amendments
Third Schedule	To expressly provide that protected liabilities should be computed subject to the caps prescribed by MAS for certain classes or types of claims, in respect of policies protected under the PPF General Fund.
Fourth Schedule	To clarify that when determining the protection ratio for Category 2 insured policies, the remaining amount of sum assured, where instalment payments have been made prior to the quantification date, would also be subjected to the aggregate cap for the guaranteed sum assured.
Sixth and Seventh Schedules	To remove the requirement that the accounts of the DI Fund, PPF Life Fund, PPF General Fund and the SDIC must be audited by the Auditor-General (or an auditor appointed in consultation with the Auditor-General); and permit SDIC to appoint commercial auditors without consulting the Auditor-General.
DI Regulations	
Third Schedule	To raise annual premium rates to 2.5bps to 8ps.
PPF Regulations	
New	To prescribe the following caps for the compensation payout under the PPF Scheme: <ul style="list-style-type: none"> a) \$50,000 for own property damage motor claims, for personal motor insurance policies; and b) \$300,000 for property damage claims, for personal property (structure and contents) insurance policies.

**DRAFT AMENDMENTS TO THE
DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION
SCHEMES ACT AND REGULATIONS**

DISCLAIMER: This version of amendments is in draft form and subject to change. It is also subject to review by the Attorney-General's Chambers.

DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES ACT 2011

PART I

PRELIMINARY

Interpretation

2.—(1) In this Act, unless the context otherwise requires —

...

“beneficiary”, in relation to an insured policy covered under the PPF General Fund ~~or PPF Life Fund~~ which provides third party benefits, means any person entitled to claim the third party benefits under the terms of that insured policy;

...

“coupon deposit”, in relation to any insured policy, means any sum of money, being part of the policy moneys which the insurer is obliged to pay to the insured policy owner at agreed intervals under the terms of the insured policy, ~~including any amount due at maturity~~, which the insured policy owner instructs the insurer not to pay out to him but for the sum of money to be deposited with the insurer to earn interest at an agreed rate;

...

“failed DI Scheme member” means a DI Scheme member in respect of which the Authority has ~~made a determination under section 21 determined that compensation shall be paid out of the DI Fund to the insured depositors of that DI Scheme member~~, and any reference to “failure” in relation to a DI Scheme member shall be construed accordingly;

“failed PPF Scheme member” means a PPF Scheme member in respect of which the Authority has ~~made a determination under section 46(1) of this Act determined that compensation shall be paid out of the PPF Life Fund or PPF General Fund, as the case may be, or that the PPF Life Fund or PPF General Fund is to be utilised for the funding of a transfer or run-off of the insurance business of that PPF Scheme member~~, and any reference to “failure” in relation to a PPF Scheme member shall be construed accordingly;

...

“quantification date” means —

(a) in relation to a DI Scheme member —

(i) ~~the date on which the DI Scheme Member is wound up in the event of the winding up of the DI Scheme Member by a court in Singapore or elsewhere or both, the date of commencement of winding up under the —~~

(A) Companies Act (Cap. 50), if the DI Scheme member is wound up by a court in Singapore or by a court in Singapore and elsewhere;

-
- (B) relevant foreign law, if the DI Scheme member is wound up by a court elsewhere and not in Singapore;
- (ii) in the event of the voluntary winding up of the DI Scheme member in Singapore or elsewhere, the date of commencement of winding up under the –
- (A) Companies Act (Cap. 50), if the DI Scheme member is voluntarily wound up in Singapore;
- (B) relevant foreign law, if the DI Scheme member is voluntarily wound up elsewhere and not in Singapore; or
- (iii) in the event that MAS determines that the DI Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments, where a DI Scheme member is not wound up, the date on which the notice of payment of compensation is published in the *Gazette* under section 21(4);
- (b) in relation to a PPF Scheme member —
- (i) the date on which the PPF Scheme member is wound up; in the event of the winding up of a PPF Scheme member by a court in Singapore or elsewhere or both, the date of commencement of winding up under the –
- (A) Companies Act (Cap. 50), if the PPF Scheme member is wound up by a court in Singapore or by a court in Singapore and elsewhere;
- (B) relevant foreign law, if the PPF Scheme member is wound up by a court elsewhere and not in Singapore;
- (ii) in the event of the voluntary winding up of the PPF Scheme member in Singapore or elsewhere, the date of commencement of winding up under the –
- (A) Companies Act (Cap. 50), if the PPF Scheme member is voluntarily wound up in Singapore;
- (B) relevant foreign law, if the PPF Scheme member is voluntarily wound up elsewhere and not in Singapore; or
- (iii) where a PPF Scheme member is a co-operative society dissolved under the Co-operatives Societies Act (Cap. 62) by the order of the Registrar of Co-operative Societies, the date of commencement of dissolution;
- (iv) where a PPF Scheme member is not wound up, the date on which the notice of payment of compensation from the PPF Life Fund or PPF General Fund or notice that the PPF Life Fund or PPF General Fund is to be utilised for the funding of any transfer or run-off of the business of the failed PPF Scheme member, or the termination of applicable policies issued by the failed PPF Scheme member, is published in the *Gazette* under section 46(4). In the event
-

that the PPF Scheme member is subsequently wound up after the publication of such notice in the Gazette under section 46(4), the date of the publication of such notice in the Gazette under section 46(4) shall continue to apply;

...

“settlement option” means an arrangement where a policy owner, a beneficiary or a trust, as the case may be, has the option at any time, upon the surrender or maturity of, or where a claim has been made under the policy, to leave the policy moneys ascertained to be due and payable under the policy, with the insurer which issued the policy, to further accrue interest on or invest, the payments or convert the otherwise lump sum payment to instalment payments over a fixed period of time, when the policy no longer provides for any payment of policy moneys on the happening of any subsequent contingency;

...

“specified personal line insurance policy” means —

- (a) a policy of insurance which provides personal motor cover;
- (b) a policy of insurance which provides personal travel cover;
- (c) a policy of insurance which provides personal property (structure and contents) cover; or
- (d) a policy of insurance which provides cover in connection with the employment of a foreign domestic worker, and issued to a policy owner who is a natural person;

...

“trust”, in relation to an insured policy covered under the PPF Life Fund, refers to any trust made pursuant to section 49L of the Insurance Act;

“trustee”, in relation to an insured policy covered under the PPF Life Fund, refers to any trustee of any policy moneys nominated under section 49L of the Insurance Act and to whom payment will be made pursuant to section 61(1) of the Insurance Act;

...

PART III

DEPOSIT INSURANCE FUND

...

Withdrawal and application of moneys of DI Fund

10.—(1) In carrying out the objects and purposes of the DI Scheme, the moneys in the DI Fund may be withdrawn and applied as the Agency considers proper for all or any of the following purposes only:

- (a) the payment of all expenses incurred in or incidental to —
 - (i) the reconstitution and maintenance of the DI Scheme;
 - (ii) the administration and management of the DI Fund;
 - (iii) the administration and management of the Agency and the performance of the duties and functions of the Agency in respect of the DI Scheme under this Act; ~~and~~
 - (iv) the conduct of any investigation by the Agency for the purpose of determining the entitlement of insured depositors to any compensation; ~~and~~
 - (v) the submission of a consolidated proof of debt on behalf of insured depositors to the liquidator of the failed DI Scheme member in relation to the insured deposits exceeding the Maximum DI Coverage held by the failed DI Scheme member.
- (b) the payment of any fees to agents appointed by the Agency for the purposes of carrying out any services in respect of the DI Scheme under this Act;
- (c) the withdrawal of all other moneys authorised or determined to be paid out of the DI Fund in accordance with this Act.

(2) Notwithstanding subsection (1), the Authority may recover from the Agency out of the DI Fund all expenses incurred by the Authority in connection with the discharge of the functions and responsibilities of the Authority under sections 8, 13, 14 and 15.

...

PART V

COMPENSATION UNDER DI SCHEME

Occurrence of events precipitating payment of compensation

21.—(1) Where, on or after 1st May 2011 ~~the appointed day~~ —

(a) an order is made by a court in Singapore or elsewhere to wind up a DI Scheme member;
~~or~~

~~(a)~~(b) a DI Scheme member is voluntarily wound up under the Companies Act (Cap. 50) or relevant foreign law; or

~~(b)~~(c) the Authority is of the opinion that a DI Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments,

the Authority may determine that compensation shall be paid out of the DI Fund to the insured depositors of the DI Scheme member in accordance with this Act.

(2) Where the Authority determines that compensation shall be paid out of the DI Fund under subsection (1), the Authority shall immediately give notice in writing to the Agency of its determination.

(3) The notice in writing referred to in subsection (2) shall be in such form and contain such information as may be agreed between the Authority and the Agency.

(4) The Agency shall, as soon as practicable upon receiving the notice referred to in subsection (2), publish a notice in the Gazette stating that a payment of compensation shall be made out of the DI Fund.

...

Subrogation

27.—(1) Upon payment out of the DI Fund of any compensation under this Act to, or for the benefit of, any insured depositor in respect of his insured deposit or any person referred to in section 22(7) in respect of that insured deposit, the Agency shall be subrogated to the extent of such payment to all the rights and remedies of —

- (a) the insured depositor;
- (b) the person who received the compensation on behalf of the insured depositor;
- (c) the person referred to in section 22(7);
- (d) in the case where payment is made to an insured depositor who is a trustee, the trustee;
or
- (e) in the case where payment is made to an insured depositor who held the insured deposit in a client account, that insured depositor,

as the case may be, in respect of the insured deposit in priority over —

- (i) the rights and remedies of the insured depositor, the person who received the compensation on behalf of the insured depositor or the person referred to in section 22(7), as the case may be, in relation to that insured deposit; and
- (ii) the rights and remedies of any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of any of the persons referred to in paragraphs (a), (b), (c), (d) and (e) in relation to that insured deposit,

and may maintain an action in respect of those rights and remedies in the name of the person referred to in paragraph (a), (b), (c), (d) or (e), as the case may be, or in the name of the Agency, subject to subsection (2).

(2) Where the Agency maintains an action in respect of the rights and remedies in the name of the person referred to in subsection (1)(a), (b), (c), (d) or (e), as the case may be, the following provisions shall apply:

- (a) in the case where the failed DI Scheme member is not wound up, the Agency shall be entitled to recover the full amount of compensation claimed against the failed DI Scheme member, notwithstanding any liabilities owing by the insured depositor to the DI Scheme member; and
- (b) in the case where the failed DI Scheme member is wound up, the insolvency rules relating to set-off shall not apply in relation to the rights and remedies of the insured depositor.

(3) For the purposes of subsection (1), where the Agency is unable to effect payment to an insured depositor (due to incorrect or outdated addresses, in respect of accounts which are dormant or any other reasons beyond the reasonable control of the Agency), the Agency shall be deemed to have made payment out of the DI Fund of compensation under this Act to, or for the benefit of, an insured depositor in respect of his insured deposit, if the Agency makes payment of the compensation to the Public Trustee appointed under the Public Trustee Act (Cap. 260) to be held on trust for the insured depositor.

(4) The persons referred to in paragraphs (a), (b), (c), (d) and (e) of subsection (1), or any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of those persons, shall not be entitled to receive any amount from, or out of, the assets of the failed DI Scheme member until the Agency has been reimbursed in full the amount of compensation paid to those persons and any expenses under subsection (5).

(5) Notwithstanding any provision in the Companies Act (Cap. 50), the Agency shall be entitled —

- (a) in the case where the failed DI Scheme member is wound up, to be reimbursed out of the assets of the failed DI Scheme member for the expenses incurred in —
 - (i) the payment of any compensation to insured depositors including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation to insured depositors under the DI Scheme;
~~and~~
 - (ii) the lodging of any claim with the liquidator of the failed DI Scheme member for any compensation that has been paid out to insured depositors;

(iii) any type of communication with depositors and the public in the event of the payment of any compensation to insured depositors under the DI Scheme; and

(iv) such other expenses as may be prescribed by the Authority; or

(b) in any other case, to be reimbursed by the failed DI Scheme member or the provisional liquidator of the failed DI Scheme member, as the case may be, for the expenses incurred in —

(i) the payment of any compensation to insured depositors, including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation to insured depositors under the DI Scheme; and

(ii) where a claim has been lodged with the provisional liquidator of the failed DI Scheme member for any compensation that has been paid out to insured depositors, the lodging of the claim;

(iii) any type of communication with depositors and the public in the event of the payment of any compensation to insured depositors under the DI Scheme; and

(iv) such other expenses as may be prescribed by the Authority.

(6) The Authority may by regulations, provide for the manner, process or method by which the Agency may exercise its rights to be subrogated to the rights and remedies as set out in subsection (1).

(7) For the purposes of making payment of compensation by the Agency to the Public Trustee under subsection (3) and payment of compensation by the Public Trustee to insured depositors and any person referred to in section 22(7), the Authority may, with the concurrence of the Public Trustee and in consultation with the Agency, make regulations for or in respect of all or any of the following matters:

(a) the manner in which moneys paid by the Agency to the Public Trustee are to be paid to insured depositors or any person referred to in section 22(7);

(b) the fees to be paid by the Agency to the Public Trustee and the manner of payment of such fees;

(c) such other matters as the Authority considers necessary.

(8) The provisions in the Fifth Schedule shall apply in relation to the holding and payment of compensation under this Act by the Public Trustee to insured depositors and any person referred to in section 22(7).

(9) If the Authority wishes to amend or vary any regulations made under subsection (7), the Authority shall first conduct a joint review with the Public Trustee and such regulations shall not be amended or varied without the concurrence of the Public Trustee and consulting the Agency.

Objectives and duties of liquidators in the winding up of a DI Scheme Member

28A. – (1) Despite any written law or rule of law, a person appointed as a liquidator under the Companies Act for the winding up of a DI Scheme member and which has been approved by the Authority under section 54(4)(a) of the Monetary Authority of Singapore Act (referred to in this section as ‘the liquidator’), must have the following as objectives:

- (a) together with the Agency, ensure that the insured depositor receives payment from the Agency, as soon as reasonably practicable; and
- (b) to wind up the affairs of the DI Scheme member in a manner designed to achieve the best result for the creditors of the member institutions as a whole.

(2) The objective in subsection (1)(a) takes precedence over the objective in subsection (1)(b) and a liquidator shall begin working towards achieving both objectives immediately upon appointment.

(3) To achieve the objectives in subsection (1), the Authority may, by written notice given to the liquidator, require the liquidator to give the Agency such reasonable assistance and to provide such information as is necessary for the Agency to perform its functions and exercise its powers under this Act.

(4) Despite any written law or rule of law, the liquidator must not sell or transfer any assets of the DI Scheme Member in liquidation to any person working on behalf of the Agency, the Authority or any third party that provides services in connection with the winding up of the DI Scheme Member, except where such person has obtained the prior written approval for the transfer from the Authority.

(5) Any transaction by the liquidator in contravention of subsection (4) above is void.

(6) Any liquidator who –

- (a) without reasonable excuse, fails to comply with subsection (1) or any notice issued by the Authority under subsection (3); or
- (b) in purported compliance with subsection (1) or any notice issued by the Authority under subsection (3), knowingly or recklessly furnishes any information or document that is false or misleading in a material particular,

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 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

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PART VII

**POLICY OWNERS' PROTECTION LIFE FUND AND POLICY OWNERS'
PROTECTION GENERAL FUND**

Withdrawal and application of moneys of PPF Life Fund and PPF General Fund

35.—(1) In carrying out the objects and purposes of the PPF Scheme, the moneys in the PPF Life Fund and the PPF General Fund may be withdrawn and applied as the Agency considers proper for all or any of the following purposes only:

- (a) all expenses incurred in or incidental to —
 - (i) the establishment and maintenance of the PPF Scheme;
 - (ii) the administration and management of the PPF Life Fund and the PPF General Fund;
 - (iii) the administration and management of the Agency and the performance of the duties and functions of the Agency in respect of the PPF Scheme under this Act;
 - (iv) the conduct of any investigation by the Agency for the purpose of determining the entitlement of insured policy owners, trusts or beneficiaries to any compensation;
 - (v) the transfer of the whole or part of the insurance business of a failed PPF Scheme member to another insurer; ~~and~~
 - (vi) the run-off of the insurance business of a failed PPF Scheme member; and
 - (vii) the termination of applicable policies issued by a failed PPF Scheme member;
- (b) the payment of any fees to agents appointed by the Agency for the purposes of carrying out any services in respect of the PPF Scheme under this Act;
- (c) the withdrawal of all other moneys authorised or determined to be paid out of the PPF Life Fund and the PPF General Fund in accordance with this Act.

(2) Notwithstanding subsection (1), the Authority may recover from the Agency out of the PPF Life Fund and the PPF General Fund, all expenses incurred by the Authority in the establishment of the Agency and in connection with the discharge of the functions and responsibilities of the Authority under sections 38, 39 and 40.

PART IX

COMPENSATION AND USE OF PPF LIFE FUND AND PPF GENERAL FUND

Occurrence of events precipitating compensation or use of PPF Life Fund and PPF General Fund

46.—(1) Where, on or after the effective date —

- (a) an order is made by a court in Singapore or elsewhere to wind up a PPF Scheme member;
- ~~(b)~~ (b) a PPF Scheme member is voluntarily wound up under the Companies Act (Cap. 50) or relevant foreign law;
- ~~(c)~~ (c) an order is made by the Registrar of Co-operatives Societies and the Assistant Registrars of Co-operative Societies to wind up a PPF Scheme member under the Co-operatives Societies Act (Cap. 62);
- ~~(b)(d)~~ (d) the Authority is of the opinion that a PPF Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments; or
- ~~(e)~~ (e) the Authority is exercising or is likely to exercise, or has exercised its powers under Part IIIAA of the Insurance Act (Cap. 142),

the Authority may determine —

- (i) that compensation shall be paid out of the PPF Life Fund or the PPF General Fund to the insured policy owners, trusts and also to the beneficiaries in the case of insured policies covered under the PPF General Fund or the PPF Life Fund which provide third party benefits, in accordance with this Act; or
 - (ii) that the PPF Life Fund or the PPF General Fund be utilised for either or both one or more of the following purposes:
 - (A) to fund, whether in whole or in part, the transfer of the whole or part of the business of the ~~failed~~ PPF Scheme member to another insurer;
 - (B) to fund the run-off of the insurance business of the ~~failed~~ PPF Scheme member without taking in any new insurance business or renewing any existing policies (other than a policy which has a provision providing for guaranteed renewability);
 - (C) to fund the termination of applicable policies issued by the PPF Scheme member.
- (2) Where the Authority makes any determination referred to in subsection (1), the Authority shall immediately give notice in writing to the Agency of its determination.
- (3) The notice in writing referred to in subsection (2) shall be in such form and contain such information as may be agreed between the Authority and the Agency.
- (4) The Agency shall, as soon as practicable upon receiving the notice referred to in subsection (2), publish a notification in the Gazette stating that a payment of compensation shall be made out of the PPF Life Fund or the PPF General Fund, or that the PPF Life Fund or the PPF General Fund shall be utilised to fund the transfer or run-off of the insurance business of the failed PPF Scheme

member, or the termination of applicable policies issued by the failed PPF Scheme member, as the case may be.

(5) For the purposes of this Act, the Minister shall by notification in the Gazette¹ appoint a date to be the effective date.

Entitlement to compensation for life business

47.—(1) Subject to subsection (2) and section 49, where an insured policy owner has one or more insured policies covered under the PPF Life Fund, issued by a failed PPF Scheme member, which

- (a) is issued to the insured policy owner; or
- (b) is issued to the insured policy owner jointly with one or more other persons as joint policy owners,

the insured policy owner or trust, as the case may be, shall be entitled to compensation from the PPF Life Fund of one or more of the following amounts:

- (i) in the case of a Category 1 insured policy referred to in the Second Schedule, an amount equivalent to the product of the protection ratio referred to in paragraph 2(a) of the Fourth Schedule and the amount of policy moneys payable in respect of that insured policy;
- (ii) in the case of a Category 2 insured policy referred to in the Second Schedule, an amount equivalent to —
 - (A) the product of the protection ratio for sum assured referred to in paragraph 2(b) of the Fourth Schedule and the sum assured guaranteed under that insured policy or the remaining amount of sum assured guaranteed under that insured policy, as the case may be, in the event that a claim event occurs before the quantification date; or
 - (B) the product of the protection ratio for surrender value referred to in paragraph 2(c) of the Fourth Schedule and the surrender value guaranteed under that insured policy in the event that the insured policy owner has given notice in writing to the failed PPF Scheme member to surrender that insured policy before the quantification date or the remaining amount of surrender value guaranteed under that insured policy in the event that payment of claims are made to the insured policy owner prior to the quantification date, as the case may be; or
 - (C) the sum of (A) and (B), where applicable.
- (iii) in the case of a Category 3 insured policy referred to in the Second Schedule, an amount equivalent to the product of the protection ratio referred to in paragraph 2(d) of the Fourth Schedule and the amount of policy moneys guaranteed to be payable under the annuity by the failed PPF Scheme member;
- (iv) in the case of a Category 4 insured policy referred to in the Second Schedule, an amount equivalent to —

¹ The effective date is 1st September 2011 – vide S 431/2011.

- (A) the product of the protection ratio for sum assured referred to in paragraph 2(e)(i) of the Fourth Schedule and the sum assured guaranteed under that insured policy in the event that a claim event occurs before the quantification date;
- (B) the product of the protection ratio for surrender value referred to in paragraph 2(e)(ii) of the Fourth Schedule and the surrender value guaranteed under that insured policy in the event of a surrender before the quantification date; or
- (C) the product of the protection ratio for the commuted value referred to in paragraph 2(e)(iii) of the Fourth Schedule and the amount of policy moneys which are guaranteed to be payable in the case of an annuity.

(2) Where a claim event for an insured policy has occurred or where an insured policy has been terminated, on or before the quantification date, the amount of compensation referred to in subsection (1) shall be an amount after deducting any outstanding loan taken out against that insured policy and any outstanding premiums owed by the policy owner for that insured policy.

Entitlement to compensation for life business – refund of premiums, accidental death insurance cover

47A. —(1) Where an insured policy owner is entitled to a refund of premiums by a failed PPF Scheme member as expressly provided for in the insurance contract, the insured policy owner or the trust, shall be entitled to compensation from the PPF Life Fund of the entitlement amount in full.

(2) Where accidental death insurance cover is provided by a failed PPF Scheme member to a customer prior to the inception of the relevant policy, and an accidental death claim on the relevant policy arises on or before the quantification date, the customer's beneficiary or the trust, as the case may be, shall be entitled to compensation from the PPF Life Fund for the accidental death benefit under the relevant policy upon admission of the claim.

Entitlement to compensation for general business

48.—(1) Subject to subsection (2) and section 49, where an insured policy owner has one or more insured policies covered under the PPF General Fund issued by a failed PPF Scheme member, which —

- (a) is issued to the insured policy owner; or
- (b) is issued to the insured policy owner jointly with one or more other persons as joint policy owners,

the insured policy owner shall be entitled to compensation from the PPF General Fund of the aggregate amount of the protected liabilities in respect of all such insured policies subject to the maximum amount per class or type of claim as may be prescribed by the Authority.

(2) Where any of the insured policies referred to in subsection (1) is an insured policy covered under the PPF General Fund which provides third party benefits, the insured policy owner or any beneficiary or both shall be entitled to compensation from the PPF General Fund of the full amount of the protected liabilities in respect of such insured policy.

(3) Where a claim event for an insured policy has occurred or where an insured policy has been terminated, on or before the quantification date, the amount of compensation referred to in subsection (1) shall be an amount after deducting any outstanding premiums due under the insured policy.

Entitlement to compensation for general business – refund of premiums

48A. Where an insured policy owner is entitled to a refund of premiums by a failed PPF Scheme member as expressly provided in the insurance contract, the insured policy owner, or any beneficiary, shall be entitled to compensation from the PPF General Fund of the entitled amount in full.

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Restrictions on entitlement to compensation under PPF Scheme

50. Where, in respect of any insured policy or accidental death insurance cover under section 47A(2), the Agency has paid —

- (a) to any insured policy owner, a trustee, or a beneficiary under section 47A(2), the full amount of compensation payable to him in respect of the insured policy in accordance with this Act; or
- (b) to any insured policy owner, a trustee or beneficiary or -a beneficiary and a insured policy owner or a trustee-both, the full amount of compensation payable to him or them in accordance with this Act, in the case where the insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits,

no other person is entitled, in respect of those insured policies, to compensation under this Part.

Cessation of coverage under PPF Scheme

50A. —(1) After the PPF Scheme is triggered, an insured policy owner may not exercise any settlement option as provided in the insurance contract applicable to the insured policy covered under the PPF Life Fund on or after the quantification date.

(2) Where a settlement option has been exercised, the insured policy will cease to be covered under the PPF Life Fund and the insured policy owner or the beneficiary are not to be entitled to any compensation under this Part.

(3) Subsection (2) has effect regardless of whether compensation has been received by the insured policy owner or beneficiary under the PPF Life Fund.

Computation and method of payment of compensation under PPF Scheme

51.—(1) The Agency shall compute the amount of compensation due to an insured policy owner or a trust in respect of his insured policies, a beneficiary in respect of accidental death insurance cover under section 47A(2), or a beneficiary in the case where an insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, issued by a failed PPF Scheme member in accordance with this Act.

- (2) In determining —
- (a) the eligibility and entitlement of an insured policy owner to compensation and computing the amount of compensation due to an insured policy owner or a trust; ~~and~~
 - (b) the eligibility and entitlement of a beneficiary under an insured policy which is covered under the PPF General Fund or PPF Life Fund and provides third party benefits to compensation and computing the amount of compensation due to such a beneficiary; ~~and~~;
 - (c) the eligibility and entitlement of a beneficiary under an accidental death insurance cover under section 47A(2) covered under the PPF Life Fund and computing the amount of compensation due to such a beneficiary.

the Agency is entitled to rely on the books of the failed PPF Scheme member and any other books which, in the opinion of the Agency, are relevant for such computation.

(3) Subject to subsection (4), the Agency shall pay the compensation in such form and manner as may be specified in the Rules.

(4) The Authority may make regulations for the purposes of payment of compensation by the Agency.

(5) Without prejudice to the generality of subsection (4), such regulations may —

- (a) specify the person to whom, or the account into which, payment of compensation is to be made for the benefit of an insured policy owner who is entitled to compensation, including a trust, or a beneficiary in respect of accidental death insurance cover under section 47A(2) covered under the PPF Life Fund, or a beneficiary who is entitled to compensation under an insured policy which is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, under this Act; and
- (b) provide for the payment of compensation into an equivalent account with a financial institution and for such compensation to be held in that account in a manner equivalent to the manner of holding of the original insured policy.

Subrogation

52.—(1) Upon payment out of the PPF Life Fund or the PPF General Fund of any compensation under this Act to, or for the benefit of, any insured policy owner or a trust in respect of ~~the~~his insured policy, ~~or any~~ beneficiary in respect of accidental death insurance cover under section 47A(2), or any beneficiary in the case of any insured policy which is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the Agency shall be subrogated to the extent of such payment to all the rights and remedies of —

- (a) the insured policy owner;
- (b) the beneficiary; or
- (c) the person who received the compensation on behalf of the insured policy owner or beneficiary, including a trustee,

as the case may be, in respect of the insured policy in priority over —

- (i) the rights and remedies of the insured policy owner or the person who received the compensation on behalf of the insured policy owner, as the case may be, in relation to that insured policy;

- (ii) in the case where the insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the rights and remedies of the beneficiary or the person who received the compensation on behalf of the beneficiary, as the case may be, in relation to that insured policy; and
- (iii) the rights and remedies of any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of any of the persons referred to in paragraphs (a), (b) and (c) in relation to that insured life policy,

and may maintain an action in respect of those rights and remedies in the name of the person referred to in paragraph (a), (b) or (c), as the case may be, or in the name of the Agency, subject to subsection (2).

(2) Where the Agency maintains an action in respect of the rights and remedies in the name of the person referred to in subsection (1)(a), (b) or (c), as the case may be, the following provisions shall apply:

- (a) in the case where the failed PPF Scheme member is not wound up, the Agency shall be entitled to recover the full amount of compensation claimed against the failed PPF Scheme member, notwithstanding any liabilities owing by the insured policy owner to the PPF Scheme member; and
- (b) in the case where the failed PPF Scheme member is wound up, the insolvency rules relating to set-off shall not apply in relation to the rights and remedies of the insured policy owner.

(3) For the purposes of subsection (1), where the Agency is unable to effect payment to an insured policy owner, or a trustee, a beneficiary in respect of accidental death insurance cover under section 47A(2), or a beneficiary in the case where the insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits (due to incorrect or outdated addresses, in respect of accounts which are dormant or any other reasons beyond the reasonable control of the Agency), the Agency shall be deemed to have made payment out of the PPF Life Fund or the PPF General Fund, as the case may be, of compensation under this Act to, or for the benefit of —

- (a) an insured policy owner in respect of his insured policy; or
- (b) in the case where the insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, a beneficiary,

if the Agency makes payment of the compensation to the Public Trustee appointed under the Public Trustee Act (Cap. 260) to be held on trust for the insured policy owner or the beneficiary, as the case may be.

(4) The persons referred to in paragraphs (a), (b) and (c) of subsection (1), or any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of those persons, shall not be entitled to receive any amount from, or out of, the assets of the failed PPF Scheme member until the Agency has been reimbursed in full the amount of compensation paid to those persons.

(5) Notwithstanding any provision in the Companies Act (Cap. 50) and the Co-operatives Societies Act (Cap. 62), the Agency shall be entitled —

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- (a) in the case where the failed PPF Scheme member is wound up or dissolved, to be reimbursed out of the assets of the failed PPF Scheme member for the expenses incurred in —
- (i) the payment of any compensation to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation under the PPF Scheme; ~~and~~
 - (ii) the lodging of a claim with the liquidator of the failed PPF Scheme member for any compensation that has been paid out to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2));
 - (iii) any type of communication with insured policy owners, trustees, beneficiaries and the public in the event of payment of any compensation to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) under the PPF Scheme; and
 - (iv) such other expenses as may be prescribed by the Authority; or
- (b) in any other case, to be reimbursed by the failed PPF Scheme member or the provisional liquidator of the failed PPF Scheme member, as the case may be, for the expenses incurred in —
- (i) the payment of any compensation to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation under the PPF Scheme; and
 - (ii) the lodging of a claim with the provisional liquidator of the failed PPF Scheme member for any compensation that has been paid out to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2));
 - (iii) any type of communication with insured policy owners, trustees, beneficiaries and the public in the event of payment of any compensation to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) under the PPF Scheme; and
 - (iv) such other expenses as may be prescribed by the Authority.
- (6) The Authority may by regulations, provide for the manner, process or method by which the Agency may exercise its rights to be subrogated to the rights and remedies as set out in subsection (1).
- (7) For the purposes of making payment of compensation by the Agency to the Public Trustee under subsection (3) and payment of compensation by the Public Trustee to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) under this Act, the Authority may, with the concurrence of the Public Trustee and in
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consultation with the Agency, make regulations for or in respect of all or any of the following matters:

- (a) the manner in which moneys paid by the Agency to the Public Trustee are to be paid to insured policy owners, trustees and beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)) under this Act;
 - (b) the fees to be paid by the Agency to the Public Trustee and the manner of payment of such fees;
 - (c) such other matters as the Authority considers necessary.
- (8) The provisions in the Fifth Schedule shall apply in relation to the holding and payment of compensation by the Public Trustee to insured policy owners and beneficiaries under this Act.
- (9) If the Authority wishes to amend or vary any regulations made under subsection (7), the Authority shall first conduct a joint review with the Public Trustee and such regulations shall not be amended or varied without the concurrence of the Public Trustee and consulting the Agency.

Recovery of compensation paid in excess or in error under PPF Scheme

53.—(1) If —

- (a) any compensation paid to, or for the benefit of, an insured policy owner or trust out of the PPF Life Fund or the PPF General Fund is in excess of what ought to have been paid to the insured policy owner or trust under this Act;
- (b) any compensation paid to, or for the benefit of, a beneficiary (including a beneficiary of accidental death insurance cover under section 47A(2)) in the case where the insured policy is covered under the PPF General Fund or PPF Life Fund and provides third party benefits out of the PPF General Fund or PPF Life Fund is in excess of what ought to have been paid to the beneficiary under this Act; or
- (c) any compensation is paid in error to any person,

the Agency may recover the amount paid in error or excess from the person who received the compensation, in such manner and within such period as may be specified by the Agency to that person.

(2) Without prejudice to any other remedy, any amount paid in error or excess to any person shall be recoverable as a debt due to the Agency by that person.

(3) Notwithstanding any provision in the Limitation Act (Cap. 163), an action to recover any amount paid in error or excess to any person recoverable by virtue of this section shall not be brought after the expiration of the period during which the action may be brought against the person under the Limitation Act or the date of completion of the winding up of the failed PPF Scheme member, whichever is the later.

(4) Upon the recovery of any amount paid in error or excess from any person under this section (referred to in this section as the recovered amount), the Agency shall do the following:

- (a) in the case where the failed PPF Scheme member is not wound up or where the winding up of the failed PPF Scheme member has not completed and the Agency has not recovered or has not recovered in full from the failed PPF Scheme member or its

liquidator, as the case may be, the compensation which it paid out to the insured policy owners, trusts or the beneficiaries (including a beneficiary of accidental death insurance cover under section 47A(2)) in the case where the insured policies are covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the Agency shall deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the PPF Life Fund or the PPF General Fund, as the case may be, and pay the amount remaining from the recovered amount after the deduction, if any, to the failed PPF Scheme member or its liquidator, as the case may be;

- (b) in the case where the failed PPF Scheme member is not wound up or where the winding up of the failed PPF Scheme member has not completed and the Agency has recovered from the failed PPF Scheme member or its liquidator, as the case may be, in full the compensation which it paid out to the insured policy owners, trusts or the beneficiaries (including a beneficiary of accidental death insurance cover under section 47A(2)) in the case where the insured policies are covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the Agency shall pay the recovered amount to the failed PPF Scheme member or its liquidator, as the case may be;
- (c) in the case where the winding up of the failed PPF Scheme member has completed and the Agency has not recovered or has not recovered in full from the liquidator the compensation which it paid out to the insured policy owners, trusts or the beneficiaries (including a beneficiary of accidental death insurance cover under section 47A(2)) in the case where the insured policies are covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the Agency shall deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the PPF Life Fund or the PPF General Fund, as the case may be, and pay the amount remaining from the recovered amount after the deduction, if any, to the Official Receiver to be placed to the credit of the Companies Liquidation Account; and
- (d) in the case where the winding up of the failed PPF Scheme member has completed and the Agency has recovered from the liquidator in full the compensation which it paid out to the insured policy owners, trusts or the beneficiaries (including a beneficiary of accidental death insurance cover under section 47A(2)) in the case where the insured policies are covered under the PPF General Fund or PPF Life Fund and provides third party benefits, the Agency shall pay the recovered amount to the Official Receiver to be placed to the credit of the Companies Liquidation Account.

(5) Section 322(3), (6), (7), (8) and (9) of the Companies Act (Cap. 50) shall apply, with the necessary modifications, to the money paid to the Official Receiver under subsection (4)(c) and (d).

Use of PPF Life Fund or PPF General Fund for transfer or runoff of insurance business or termination of policies

54.—(1) In determining —

- (a) whether the PPF Life Fund or the PPF General Fund is to be utilised to fund any transfer of the whole or part of the insurance business of the failed PPF Scheme member to another insurer, ~~or~~ run-off of the insurance business of the failed PPF

Scheme member or termination of applicable policies issued by the failed PPF Scheme member pursuant to section 46; and

(b) the amount of the PPF Life Fund or the PPF General Fund to be utilised, the Authority shall (without prejudice to any other factors that the Authority may consider relevant) have regard to —

- (i) the relative costs of transferring the whole or part of the insurance business of the failed PPF Scheme member, ~~or the cost of the running off the insurance business of the failed PPF Scheme member and the termination of the applicable policies issued by the failed PPF Scheme member, as the case may be, as compared to the cost of paying compensation to the insured policy owners or the beneficiaries in the case where the insured policies are covered under the PPF General Fund and provide third party benefits;~~ and
- (ii) the relative impact of not transferring the whole or part of the insurance business of the failed PPF Scheme member or not proceeding to run-off the insurance business of the failed PPF Scheme member, and not terminating the applicable policies issued by the failed PPF Scheme member, as the case may be.

(2) For the purposes of subsection (1), the Authority shall, prior to notifying the Agency of its determination under section 46, obtain the approval of the Minister for the amount to be paid out of the PPF Life Fund or the PPF General Fund, as the case may be, by the Agency.

(3) Where the insurance business of a failed PPF Scheme member is transferred to another insurer, ~~or the insurance business is run-off by the Agency or any person appointed~~ by the Agency or the Authority to carry on such run-off or the applicable policies are terminated by the Agency

- (a) the benefits that an insured policy owner is entitled to receive under his insured policy; or
- (b) the benefits that an insured policy owner or a beneficiary or both, as the case may be, are entitled to receive under an insured policy which is covered under the PPF General Fund or PPF Life Fund and provides third party benefits,

in the event that the contingency upon which policy moneys are payable occurs after the transfer or during the run-off of the insurance business, shall be an amount not less than the protected liabilities in respect of his or the insured policy.

(4) For the purposes of subsection (3), the protected liabilities in respect of an insured policy of the insured policy owner shall be computed in accordance with the Third Schedule.

(5) The Agency shall be entitled to be reimbursed by the failed PPF Scheme member or the provisional liquidator of the failed PPF Scheme member, as the case may be, for the expenses incurred in —

- (a) in the event of a transfer of the whole or part of the business from the failed PPF Scheme member to another insurer, the costs and expenses of such transfer; ~~and~~
- (b) in the event of the run-off of the whole or part of the business of the failed PPF Scheme member, the costs and expenses of setting up a company to run-off the insurance

policies and outsourcing the administration of the insurance policies to a third party;
and

- (c) in the event of the termination of applicable policies issued by the failed PPF Scheme member, the costs and expenses of effecting such termination.

Objectives and duties of liquidators in the winding up of a PPF Scheme Member

54A. – (1) Despite any written law or rule of law, a person appointed as a liquidator under the Companies Act for the winding up of a PPF Scheme member and which has been approved by the Authority under section 54(4)(a) of the Monetary Authority of Singapore Act (referred to in this section as ‘the liquidator’), must have the following as objectives:

- (a) together with the Agency, ensure that that the insured policy owner, trust, or beneficiary receives payment from the Agency, as soon as reasonably practicable; and
(b) to wind up the affairs of the PPF Scheme member in a manner designed to achieve the best result for the creditors of the member institutions as a whole.

(2) The objective in subsection (1)(a) takes precedence over the objective in subsection (1)(b) and a liquidator shall begin working towards achieving both objectives immediately upon appointment.

(3) To achieve the objectives in subsection (1), the Authority may, by written notice given to the liquidator, require the liquidator to give the Agency such reasonable assistance and to provide such information as is necessary for the Agency to perform its functions and exercise its powers under this Act

(4) Despite any written law or rule of law, the liquidator must not sell or transfer any assets of the PPF Scheme member in liquidation to any person working on behalf of the Agency, the Authority or any third party that provides services in connection with the winding up of the PPF Scheme Member, except where such person has obtained the prior written approval for the transfer from the Authority;

(5) Any transaction by the liquidator in contravention of subsection (4) above is void.

(6) Any liquidator who –

- (a) without reasonable excuse, fails to comply with subsection (1) or any notice issued by the Authority under subsection (3); or
(b) in purported compliance with subsection (1) or any notice issued by the Authority under subsection (3), knowingly or recklessly furnishes any information or document that is false or misleading in a material particular,

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 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

Powers of liquidator in respect of claims against insured policy owner

55.—(1) Subject to subsection (3), notwithstanding any written law or rule of law, where —

- (a) the Agency has paid compensation to an insured policy owner, a trust, a beneficiary of accidental death insurance cover under section 47A(2), or a beneficiary of an insured policy which is covered under the PPF General Fund or PPF Life Fund and provides third party benefits, or both, as the case may be, out of the PPF Life Fund or the PPF General Fund in accordance with this Act;
- (b) such compensation is, or will be, accorded priority in the event of the winding up of the failed PPF Scheme member under section 49FR of the Insurance Act (Cap. 142); and
- (c) the failed PPF Scheme member has one or more existing claims against the insured policy owner,

the liquidator may bring legal proceedings with respect to those claims in the name, and on behalf, of the failed PPF Scheme member against the insured policy owner or any person who received compensation on behalf of the insured policy owner, to recover such moneys as may be necessary to put the failed PPF Scheme member into the position it would have been as against the insured policy owner with respect to those claims, if —

- (i) the Agency had not paid out any compensation or been accorded priority under section 49FR of the Insurance Act in respect of the compensation paid to the insured policy owner; and
- (ii) the liquidator had applied the same rules with regard to the respective rights of debts provable and the valuation of future and contingent liabilities as are in force for the time being under the law relating to bankruptcy in relation to the estates of persons adjudged bankrupt, as if the failed PPF Scheme member were a person so adjudged.

(2) Such moneys shall be recoverable as a debt due to the failed PPF Scheme member by the insured policy owner or any person who received compensation on behalf of the insured policy owner.

(3) This section shall not apply to any moneys held by the Public Trustee pursuant to any payment of compensation by the Agency under section 52(3).

PART X

DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION FUND AGENCY

Objects, functions and powers of Agency

57.—(1) Subject to the provisions of this Act, the objects of the Agency shall be —

- (a) to administer the DI Scheme and PPF Scheme in accordance with this Act;
- (b) to administer and manage the DI Fund, PPF Life Fund and PPF General Fund in accordance with this Act;
- (c) to administer and manage the insurance business of a failed PPF Scheme member; and
- (d) to take such steps as may be directed by the Minister or after consultation with the Authority, to contribute to the stability of the financial system.

(2) Without prejudice to the generality of subsection (1), the functions of the Agency shall include the following:

- (a) collect premium contributions and levies payable by DI Scheme members and PPF Scheme members under this Act;
- (b) make payments of compensation in respect of insured deposits to insured depositors out of the DI Fund after the Agency has determined the eligibility and entitlement of the depositors;
- (c) make payments of compensation in respect of protected liabilities to insured policy owners, a trust and beneficiaries of insured policies (including a beneficiary of accidental death insurance cover under section 47A(2)) covered under the PPF General Fund or PPF Life Fund which provide third party benefits out of the PPF Life Fund and the PPF General Fund after the Agency has determined their eligibility and entitlement;
- (d) make interim payments of compensation out of the DI Fund to insured depositors of such amounts as the Agency considers appropriate;
- (e) make interim payments of compensation out of the PPF Life Fund and the PPF General Fund to insured policy owners or a trust and make interim payment of compensation out of the PPF General Fund and the PPF Life Fund to beneficiaries (including a beneficiary of accidental death insurance cover under section 47A(2)) of insured policies which are covered under the PPF General Fund or the PPF Life Fund and provide third party benefits of such amounts as the Agency considers appropriate;
- (f) where the transfer of the whole or part of the insurance business from a failed PPF Scheme member to another PPF Scheme member is reasonably practicable, make payment out of the PPF Life Fund or the PPF General Fund to fund such transfer;
- (g) make payment out of the PPF Life Fund or the PPF General Fund to —
 - (i) fund the run-off of the insurance business of the failed PPF Scheme member;
 - (ii) set up a company to hold the insured policies of the failed PPF Scheme member;and

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- (iii) outsource the administration of the insured policies of the failed PPF Scheme member to a third party;
- (h) carry on the run-off of the insurance business of the failed PPF Scheme member and to set up a company to hold the insured policies of the failed PPF Scheme member;
- (i) carry out termination of applicable policies issued by a failed PPF Scheme member and make payment out of the PPF Life Fund or the PPF General Fund to fund such termination;
- ~~(j)~~ claim from the failed DI Scheme member for reimbursement of the amount of compensation paid to the insured depositors out of the DI Fund, together with any interest accrued thereon;
- ~~(j)~~~~(k)~~ claim from the failed PPF Scheme member for reimbursement of the amount of compensation paid to the insured policy owners, a trust and beneficiaries of insured policies (including a beneficiary of accidental death insurance cover under section 47A(2)) covered under the PPF General Fund or PPF Life Fund which provide third party benefits out of the PPF Life Fund and the PPF General Fund, together with any interest accrued thereon;
- ~~(k)~~~~(l)~~ claim payment from the liquidator or provisional liquidator of a failed DI Scheme member, out of the assets of the failed DI Scheme member, for reimbursement of the amount of compensation paid to the insured depositors out of the DI Fund, together with any interest accrued thereon;
- ~~(l)~~~~(m)~~ claim payment from the liquidator or provisional liquidator of a failed PPF Scheme member, out of the assets of the failed PPF Scheme member, for reimbursement of the amount of compensation paid to the insured policy owners, a trust and beneficiaries of insured policies covered under the PPF General Fund or PPF Life Fund which provide third party benefits out of the PPF Life Fund or the PPF General Fund, together with any interest accrued thereon;
- ~~(n)~~ educate the public on the DI Scheme and the PPF Scheme;
- ~~(o)~~ submit a consolidated proof of debt on behalf of insured depositors to the liquidator of the failed DI Scheme Member, in relation to the insured deposits exceeding the Maximum DI Coverage held by the failed DI Scheme Member;
- ~~(p)~~ create a charge over the assets of the DI Fund to secure loans for facilitating the payment of compensation to insured depositors in respect of their insured deposits under the DI Scheme;
- ~~(m)~~~~(q)~~ create a charge over the assets of the PPF Life Fund and PPF General Fund to secure loans for facilitating the payment of compensation to the insured policy owners, a trust and beneficiaries of insured policies covered under the PPF Scheme.
- (3) The Agency shall have the power to do anything for the purpose of fulfilling its objects and discharging its functions under this Act or any other written law, or which is incidental or conducive to the fulfilment of those objects and discharge of those functions.
- (4) Notwithstanding sections 9(4) and 34(5) and (6), the Agency may transfer to its account for the purpose of paying expenses of the Agency, moneys from the DI Fund, PPF Life Fund and PPF General Fund up to the amount approved under section 77 by the Minister as ~~annual~~ estimates
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and supplementary estimates of income and expenditure of the DI Fund, PPF Life Fund and PPF General Fund.

Amendment to ~~constitution memorandum and articles of association~~ of Agency

58.—(1) Notwithstanding any provision in the Companies Act (Cap. 50), the Agency shall not amend the ~~memorandum and articles of association~~ constitution of the Agency without the prior approval of the Minister.

(2) Any amendment made to the ~~constitution memorandum and articles of association~~ of the Agency without the prior approval of the Minister shall be void.

Appointment of board of directors

59.—(1) This section shall have effect notwithstanding any provision in the Companies Act (Cap. 50) and the ~~memorandum and articles of association~~ constitution of the Agency.

(2) The board of directors of the Agency shall consist of —

- (a) a Chairman who shall be appointed by the board of directors; and
- (b) not less than 4 but not more than 9 other directors.

(3) A director shall hold office for a term not exceeding 3 years and shall be eligible for reappointment.

(4) No person shall be appointed as or remain a director on the board of directors if he is a substantial shareholder, a director or an employee of —

- (a) any DI Scheme member or PPF Scheme member; or
- (b) a related corporation of any DI Scheme member or PPF Scheme member.

(5) In this section —

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

“substantial shareholder” has the same meaning as in section 81 of the Companies Act.

Rules issued by Agency for DI Scheme and PPF Scheme

63.—(1) The Agency may issue, and in its discretion publish for information in the Gazette or in any other manner as it considers appropriate, Rules for any matter relating to any of its functions under this Act.

(2) Without prejudice to the generality of subsection (1), such Rules may provide for —

- (a) the manner and method of collection of premium contributions, levies and late payment fees;
- (b) the manner of disclosure by DI Scheme members as to whether their products are insured deposits;
- (c) the manner of disclosure by PPF Scheme members as to whether their products are insured policies;

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- (d) the particulars to be recorded in, or in respect of, books kept by DI Scheme members for the purpose of computing the amount of insured deposits placed with the DI Scheme members, and the particulars to be recorded in, or in respect of, books kept by PPF Scheme members for the purpose of confirming the insured policies issued by the PPF Scheme members;
- (e) the manner in which compensation is to be paid to insured depositors and persons referred to in section 22(7) from the DI Fund, insured policy owners and trusts from the PPF Life Fund and the PPF General Fund, beneficiaries of accidental death insurance cover under section 47A(2) and beneficiaries of insured policies which are covered under the PPF General Fund or PPF Life Fund and provide third party benefits ~~from the PPF General Fund~~;
- (f) the collection from any DI Scheme member by the Agency of any information in relation to its insured deposits and insured depositors, for the purpose of computing the amount of compensation which is to be paid to the insured depositors; and
- (g) the collection from any PPF Scheme member by the Agency of any information in relation to the insured policies, insured policy owners, trusts, beneficiaries of accidental death insurance cover under section 47A(2) and beneficiaries of insured policies which are covered under the PPF General Fund or PPF Life Fund and provide third party benefits, for the purpose of computing the amount of compensation which is to be paid to the insured policy owners or beneficiaries (including beneficiaries of accidental death insurance cover under section 47A(2)).
- (3) The Agency may, at any time, amend or revoke the whole or part of any Rule issued under this section.
- (4) Without limiting the operation of any other provision of this Act, the Rules shall bind the Agency, the DI Scheme members and the PPF Scheme members to the same extent as if the Rules had been contained in properly executed agreements on the part of the Agency and each DI Scheme member, or the Agency and each PPF Scheme member, as the case may be, to observe and comply with all the Rules.
- (5) For the avoidance of doubt, no person, other than the Agency, a DI Scheme member or a PPF Scheme member, shall have any right to enforce the observance of or compliance with any of the Rules where such Rule is relevant.
- (6) For the avoidance of doubt, any Rules issued under this section shall be deemed not to be subsidiary legislation.
- (7) No Rule issued by the Agency shall be inconsistent with any regulations made by the Authority under this Act and any such Rule which is so inconsistent shall, to the extent of inconsistency, be void.

Regulations on disclosure and operational preparedness

64.—(1) The Authority may, for the purposes of ensuring disclosure of relevant information by the DI Scheme members and PPF Scheme members to the Agency, depositors, policy owners, customers or potential customers of the DI Scheme members and PPF Scheme members, make regulations for or in respect of all or any of the following matters:

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- (a) the disclosure by DI Scheme members and PPF Scheme members as to whether their products are insured deposits or insured policies, as the case may be;
- (b) the manner of disclosure of relevant information by DI Scheme members and PPF Scheme members when they cease to be Scheme members.
- (2) The Authority may, for the purposes of ensuring the operational preparedness of the DI Scheme members and PPF Scheme members in the event of an occurrence of any event precipitating the use of the DI Fund, PPF Life Fund or PPF General Fund, as the case may be, make regulations for or in respect of all or any of the following matters:
- (a) the necessary systems and processes that DI Scheme members or PPF Scheme members shall have in place;
- (b) the appointment of one or more independent persons to assess the operational preparedness of DI Scheme members or PPF Scheme members;
- (c) the employment of requisite personnel and qualified persons by DI Scheme members or PPF Scheme members in respect of the proper functioning of their systems and processes.
- (3) The regulations made under subsection (1) may provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$125,000 or with imprisonment for a term not exceeding 3 years or with both and, in the case of a continuing offence, with a further fine of \$12,500 for every day or part thereof during which the offence continues after conviction.
- (4) The regulations made under subsection (2) may provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$125,000 and, in the case of a continuing offence, with a further fine of \$12,500 for every day or part thereof during which the offence continues after conviction.

(5) Any DI Scheme member or PPF Scheme member which fails to take reasonable care that any information furnished to the Authority in purported compliance with this section is accurate, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

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Duty not to furnish false information to Authority or Agency

69.—(1) Any person who furnishes the Authority or the Agency with any information under or for the purposes of any provision of this Act shall use due care to ensure that the information is not false or misleading in any material particular.

(2) Subsection (1) applies only to a requirement in relation to which no other provision of this Act creates an offence in connection with the furnishing of false or misleading information.

(3) Any person who contravenes subsection (1) 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.

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PART XII

FINANCIAL AND AUDIT PROVISIONS

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Annual-Three-year estimates of income and expenditure

77.—(1) The Agency shall, ~~in every third financial year~~ ~~in every financial year~~, prepare or cause to be prepared ~~annual~~ estimates of income and expenditure of the DI Fund, the PPF Life Fund, the PPF General Fund and the Agency for the ensuing ~~three~~ financial years. ~~The Agency shall also prepare or cause to be prepared and~~ a supplementary estimate for any financial year.

(2) All ~~annual~~ estimates and supplementary estimates shall be presented to the Minister for his approval.

...

PART XIII

MISCELLANEOUS

Protection from liability

79. No liability shall be incurred by —

- (a) the Agency;
- (b) any ~~current or former~~ director, officer, employee or agent of the Agency; or
- (c) any person ~~currently or formerly~~ acting under the direction of the Agency,

as a result of anything done (including any statement made) or omitted to be done ~~with reasonable care and~~ in good faith in —

- (i) the exercise or purported exercise of any power under this Act;
- (ii) the performance or purported performance of any function or duty under this Act; or
- (iii) the execution or purported execution of this Act.

Indemnity for Agency's officers against cost of action to which section 79 applies

79A. — (1) The Agency must indemnify a person mentioned in subsection (2) against all costs and expenses reasonably incurred by the person in connection with any action, suit or other legal proceedings to which the person is a party by reason of anything done (including any statement made) or omitted to be done in good faith in the course of or in connection with any of the matters mentioned in section 79(i), (ii) or (iii).

(2) Subsection (1) applies to a person who was a person mentioned in section 79(b) or (c) at the time of the alleged act or omission giving rise to the action, suit or proceeding.

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Appointment of assistants

82.—(1) The Authority may, subject to such conditions or restrictions as it thinks fit, 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.

(1A) The Authority may, by notification published in the Gazette, appoint one or more of its officers to exercise the power to grant an exemption to any person (not being an exemption granted to a class of persons) under this Act, or to revoke any such exemption.

(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).

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Provision of information and production of books

84.—(1) The Authority may, by notice in writing, require a DI Scheme member or PPF Scheme member to —

- (a) provide such information; or
- (b) produce any book, at such time and in such manner as the Authority may reasonably require for the proper discharge of its functions.

(2) Any information received from a DI Scheme member or PPF Scheme member under this section shall be treated as secret by the Authority.

(3) Nothing in subsection (2) shall preclude the Authority from disclosing the information if —

- (a) the information is already in the public domain;
- (b) the information is disclosed in such a manner that the identity of an individual DI Scheme member or PPF Scheme member cannot be ascertained;
- (c) the DI Scheme member or PPF Scheme member consents to the disclosure; ~~or~~
- (d) disclosure of the information on individual DI Scheme member or PPF Scheme member is necessary for the Authority's performance of its functions or in the exercise of its powers; or

(e) disclosure of the information is required under any written law or by an order of the court in Singapore.

(4) Any DI Scheme member or PPF Scheme member which fails to or neglects to furnish any information or produce any book required by the Authority under this section shall be guilty of an offence.

(5) Any DI Scheme member or PPF Scheme member which fails to take reasonable care that any information furnished or book produced to the Authority in purported compliance with

this section is accurate, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

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Savings and transitional provisions

92.—(1) Any exemption granted by the Authority under section 6(2) of the repealed Act immediately before 1st May 2011 —

- (a) shall continue and be deemed to have been granted under section 6(2) of this Act; and
- (b) any condition to which the exemption was subject immediately before that date shall continue and be deemed to have been imposed under section 6(5) of this Act.

(2) Any assets, investments or moneys which were part of the DI Fund established under section 9(1) of the repealed Act (whether held in the name of the DI Fund or otherwise) immediately before 1st May 2011, shall be deemed to be assets, investments and moneys forming part of the DI Fund reconstituted under section 9(1) of this Act.

(3) Any approval granted by the Minister under section 11 of the repealed Act in respect of the types of investments that the Agency may invest any money in the DI Fund, shall continue and be deemed to have been granted by the Minister under section 11 of this Act.

(4) Any director holding office at the company designated by the Minister under section 12 of the repealed Act to be the deposit insurance agency immediately before 1st May 2011, shall continue to hold appointment as such at the company designated by the Minister under section 56 of this Act.

(5) The following provisions shall apply to the Chief Executive, other officers, employees, consultants and agents appointed as such by the company designated by the Minister under section 12 of the repealed Act to be the deposit insurance agency, pursuant to section 18 of that Act immediately before 1st May 2011:

- (a) the Chief Executive, other officers, employees, consultants and agents shall continue to hold such appointments and be deemed to have been appointed as such under section 62 of this Act; and
- (b) the terms and conditions to which their appointments were subject to immediately before 1st May 2011 shall continue and be deemed to have been imposed under or pursuant to this Act.

(6) Subject to subsection (8), every DI Scheme member which has received a notice to pay a premium contribution under section 23 of the repealed Act for the premium year beginning on 1st April 2011 and ending on 31st March 2012, may from 1st May 2011 be required to pay a further premium contribution under this Act in respect of the period commencing on 1st May 2011 until 31st March 2012 (both days inclusive).

(7) Sections 12, 14, 16, 17 and 18 of this Act shall apply, with the necessary modifications, to any payment of further premium contribution.

(8) Notwithstanding subsection (7), the Authority shall, when computing the amount of further premium contribution payable by a DI Scheme member, take into consideration any premium

contribution which that DI Scheme member has paid under the repealed Act for the premium year beginning on 1st April 2011 and ending on 31st March 2012.

(9) Section 19 of this Act shall apply, with the necessary modifications, to any premium contribution which a DI Scheme member has received a notice to pay under section 23 of the repealed Act for the premium year beginning on 1st April 2011 and ending on 31st March 2012.

(10) Any act or purported act of the Agency (including the entering into of an agreement by the Agency and any act done on behalf of the Agency by an officer or agent of the Agency under any purported authority, whether express or implied, of the Agency) in respect of the PPF Scheme after 1st May 2011 but before the ~~constitution memorandum and articles of association~~ of the Agency ~~has~~ been amended shall not be invalid by reason only of the fact that the Agency was without capacity or power to do such act.

(11) For the avoidance of doubt, section 25(2) and (3) of the Companies Act (Cap. 50) shall not apply to any act or purported act of the Agency referred to in subsection (10).

(12) For a period of 2 years after 1st May 2011, the Minister may, by regulations published in the Gazette, prescribe such additional provisions of a savings or transitional nature consequent on the enactment of this Act, as he may consider necessary or expedient.

(13) In this section, a reference to a provision of the repealed Act is a reference to that provision of that Act in force immediately before 1st May 2011.

(14) The amendments to section 77 of this Act shall apply only from the Agency's financial year commencing 1 April 2019.

FIRST SCHEDULE

Sections 2(1)

INSURED DEPOSIT AND MAXIMUM DI COVERAGE

In this Act —

“insured deposit” means —

(a) any of the following deposits in Singapore dollars, placed with any DI Scheme member in any of its branches in Singapore:

- (i) a deposit in a savings account;
- (ii) a deposit in a fixed deposit account;
- (iii) a deposit in a current account,

including any accrued interest that has been credited to the relevant accounts for each of the deposits specified in sub-paragraphs (i), (ii) and (iii), regardless of whether such a deposit is pledged, charged or secured as collateral or whether such a deposit or part thereof is set aside in respect of any debt owing to the DI Scheme member and cannot be withdrawn until and unless the debt is repaid;

- (b) any moneys denominated in Singapore dollars placed with any DI Scheme Member under the CPFIS, CPFIS or the Supplementary Retirement Scheme; and
- (c) such product as may be prescribed by the Authority, but does not include any structured deposit as defined in the Financial Advisers (Structured Deposits — Prescribed Investment Product and Exemption) Regulations (Cap. 110, Rg 7);

“Maximum DI Coverage” means the amount of \$~~50~~75,000.

SECOND SCHEDULE

Sections 38(6) and 47(1)

CATEGORIES OF INSURED POLICIES

Insured policies shall be classified into one of the following 4 categories:

(a) Category 1 insured policies, comprising any of the following types of policies or riders:

- (i) any individual accident and health policy;
- (ii) any group health policy;
- ~~(i)(iii)~~ any group personal accident policy;
- ~~(ii)(iv)~~ any rider to an individual policy, whether or not it is a Category 1 insured policy, with the exception of a ~~term~~rider which accelerates the payment of part or all of the sum assured stated in the policy or provides for a payout of an additional sum of money over and above the sum assured stated in the policy upon occurrence of a claim event;
- ~~(iii) any group health policy;~~
- ~~(iv) any group personal accident policy;~~
- (v) the part of any insured policy, whether or not it is a Category 1 insured policy, comprising the accumulated values (including interest which has accrued on such values) of coupon deposits, advance premium payments and unclaimed moneys under such insured policy. Where such coupon deposits, advance premium payments and unclaimed moneys have been factored, in whole or in part, in the surrender value computation by the PPF Scheme member, such coupons, advance premium payments and unclaimed moneys or part thereof, shall be included as part of the insured policy, where applicable;

(b) Category 2 insured policies, comprising any of the following types of policies or riders:

- (i) any individual policy ~~or rider~~ (other than a Category 1 or 3 insured policy);
- (ii) any voluntary group term policy;
- (iii) any voluntary group whole life policy;
- (iv) any voluntary group endowment policy;
- (v) any ~~term~~rider, whether or not it is a Category 2 insured policy, which accelerates the payment of all or part of the sum assured stated in the policy or provides for a payout of an additional sum of money over and above the sum assured stated in the policy upon occurrence of a claim event,

except that any accident and health benefit (other than those benefits that accelerate the payment of part or all of the sum assured stated in the policy) payable under any such policy, shall be classified as a Category 1 insured policy;

(c) Category 3 insured policies, comprising any annuity where the policy owner is an individual and any voluntary group annuity policy;

(d) Category 4 insured policies, comprising any of the following types of policies or riders:

(i) any non-voluntary group insurance policy (which is a non-voluntary group term policy, non-voluntary group whole life policy, non-voluntary group endowment policy or non-voluntary group annuity policy).

(ii) any rider of a non-voluntary group insurance policy, which accelerates the payment of all or part of the sum assured stated in the policy or provides for a payout of an additional sum of money over and above the sum assured stated in the policy upon occurrence of a claim event.

except that any accident and health benefit (other than those benefits that accelerate the payment of part or all of the sum assured stated in the policy) payable under any such policy, shall be classified as a Category 1 insured policy.

THIRD SCHEDULE

Sections 2(1) and 54(4) and Fourth Schedule

PROTECTED LIABILITIES

1. For the purposes of computing the levies payable by PPF Scheme members under section 38, the aggregate amount of the protected liabilities of a PPF Scheme member in respect of its insured policies covered under the PPF Life Fund shall be the aggregate of all the following amounts:

- (a) in the case of Category 1 insured policies, an amount equivalent to the product of the protection ratio referred to in paragraph 2(a) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies;
- (b) in the case of Category 2 insured policies, an amount calculated in accordance with the following formula:

$$\frac{(A + B)}{2} \times C$$

Where

- A is the protection ratio for sum assured referred to in paragraph 2(b) of the Fourth Schedule;
- B is the protection ratio for surrender value referred to in paragraph 2(c) of the Fourth Schedule; and
- C is the guaranteed policy liabilities for each of such Category 2 insured policies;
- (c) in the case of Category 3 insured policies, an amount equivalent to the product of the protection ratio referred to in paragraph 2(d) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies;
- (d) in the case of Category 4 insured policies —
 - (i) where the insured policies are group term policies, group endowment policies or group whole life policies, an amount calculated in accordance with the following formula:

$$\frac{(D + E)}{2} \times F$$

where

- D is the protection ratio for sum assured referred to in paragraph 2(e)(i) of the Fourth Schedule;
- E is the protection ratio for surrender value referred to in paragraph 2(e)(ii) of the Fourth Schedule; and

- F is the guaranteed policy liabilities for each of such group term policies, group endowment policies or group whole life policies; and
- (ii) where the insured policies are group annuity policies, an amount equivalent to the product of the protection ratio for commuted value referred to in paragraph 2(e)(iii) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies.

2. For the purposes of computing the compensation to be paid out to an insured policy owner from the PPF General Fund under section 48, the aggregate amount of the protected liabilities in respect of the insured policy owner's insured policy issued by a failed PPF Scheme member shall be calculated in the following manner:

- (a) in the case of a compulsory insurance policy, the full amount of any liability of the failed PPF Scheme member under the insured policy, in respect of a sum payable to any person entitled to the benefit under the terms of any compulsory insurance policy, which arises from a liability of the policy owner that is subject to compulsory insurance, including the full amount of any such liability which becomes payable before, or within 30 days after, a winding up order is made against the failed PPF Scheme member where the failed PPF Scheme member is wound up, subject to the maximum amount per class of insurance policy or type of claim as may be prescribed by the Authority pursuant to section 48(1)(b);
- (b) in all other cases, the full amount of any liability of the failed PPF Scheme member to the insured policy owner under the terms of the insured policy, including the full amount of any such liability which becomes payable before, or within 30 days after, a winding up order is made against the failed PPF Scheme member where the failed PPF Scheme member is wound up, subject to the maximum amount per class of insurance policy or type of claim as may be prescribed by the Authority pursuant to section 48(1)(b).

2a. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF General Fund in the event of a claim under his insured policy, which occurs after the transfer or during the run-off of the insurance business of the failed PPF Scheme member under section 54, the protected liabilities in respect of his insured policy shall be computed in the following manner:

- (a) in the case of a compulsory insurance policy, the full amount of any liability of the failed PPF Scheme member under the insured policy, in respect of a sum payable to any person entitled to the benefit under the terms of any compulsory insurance policy, which arises from a liability of the policy owner that is subject to compulsory insurance, including the full amount of any such liability which becomes payable before, or within 30 days after, a winding up order is made against the failed PPF Scheme member where the failed PPF Scheme member is wound up, subject to the maximum amount per class of insurance policy or type of claim as may be prescribed by the Authority pursuant to section 48(1)(b);
- (b) in all other cases, the full amount of any liability of the failed PPF Scheme member to the insured policy owner under the terms of the insured policy, including the full amount of any such liability which becomes payable before, or within 30 days after, a winding up order is made against the failed PPF Scheme member where the failed PPF

Scheme member is wound up, subject to the maximum amount per class of insurance policy or type of claim as may be prescribed by the Authority pursuant to section 48(1)(b).

3. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF Life Fund in the event of a claim under his insured policy, which occurs after the transfer or during the run-off of the insurance business of the failed PPF Scheme member under section 54, the protected liabilities in respect of his insured policy shall be computed in the following manner:

- (a) in the case of a Category 1 insured policy, the product of the protection ratio referred to in paragraph 2(a) of the Fourth Schedule and the guaranteed policy liabilities for the policy;
- (b) in the case of a Category 2 insured policy, the policy liabilities valued in accordance with regulations prescribed pursuant to section 17 of the Insurance Act (Cap. 142) for the valuation of assets and liabilities in an insurance fund using —
 - (i) the adjusted guaranteed sum assured, which is the product of the protection ratio for sum assured referred to in paragraph 2(b) of the Fourth Schedule and the sum assured guaranteed under the policy; and
 - (ii) the adjusted surrender value which is the product of the protection ratio for surrender value referred to in paragraph 2(c) of the Fourth Schedule and the surrender value guaranteed under the policy;
- (c) in the case of a Category 3 insured policy, the product of the protection ratio referred to in paragraph 2(d) of the Fourth Schedule and the guaranteed policy liabilities for the policy;
- (d) in the case of a Category 4 insured policy —
 - (i) where the policy is a group term policy, group endowment policy or group whole life policy, the policy liabilities valued in accordance with regulations prescribed pursuant to section 17 of the Insurance Act for the valuation of assets and liabilities in an insurance fund using —
 - (A) the adjusted sum assured which is the product of the protection ratio for sum assured referred to in paragraph 2(e)(i) of the Fourth Schedule and the sum assured guaranteed under the policy; and
 - (B) the adjusted surrender value which is the product of the protection ratio for surrender value referred to in paragraph 2(e)(ii) of the Fourth Schedule and the surrender value guaranteed under the policy; and
 - (ii) where the policy is a group annuity policy, the product of the protection ratio for commuted value referred to in paragraph 2(e)(iii) of the Fourth Schedule and the guaranteed policy liabilities for the policy.

FOURTH SCHEDULE

Sections 2(1) and 47(1) and Third Schedule

PROTECTION RATIO

1. In this Schedule —
 - “Maximum Annuity Sum” means the amount of \$100,000;
 - “Maximum Group Sum Assured” means the amount of \$100,000;
 - “Maximum Group Surrender Value” means the amount of \$50,000;
 - “Maximum Sum Assured” means the amount of \$500,000;
 - “Maximum Surrender Value” means the amount of \$100,000.

2. For the purposes of section 47 and the Third Schedule, the protection ratio shall be determined in the following manner:
 - (a) in the case of Category 1 insured policies, 1;
 - (b) for the sum assured for Category 2 insured policies, in respect of each life assured —
 - (i) the ratio of the Maximum Sum Assured to the aggregate amount or the aggregate remaining amount (where instalment payments have been made to the insured policy owner prior to the quantification date), as the case may be, of the sum assured on that life assured guaranteed under all such policies (other than ~~term~~-riders which accelerate the payment of all or part of the sum assured stated in the policy), upon the occurrence of a claim event (including term riders which provide additional payout of sum assured upon the occurrence of a claim event); or
 - (ii) 1, whichever is the lower;
 - (c) for the surrender value for Category 2 insured policies, in respect of each life assured —
 - (i) the ratio of the Maximum Surrender Value to the aggregate amount of the surrender value guaranteed (in the event that the insured policy owner has given notice in writing to the failed PPF Scheme member to surrender the policy) under all such policies; or
 - (ii) 1, whichever is the lower;
 - (d) in the case of Category 3 insured policies, in respect of each life assured —
 - (i) the ratio of the Maximum Annuity Sum to the aggregate amount of commuted value of benefits guaranteed under all such policies; or
 - (ii) 1, whichever is the lower;
 - (e) in the case of Category 4 insured policies, in respect of each life assured per policy —
 - (i) for the sum assured under a group policy —

- (A) the ratio of the Maximum Group Sum Assured to the amount of sum assured guaranteed under each group term, endowment policy or whole life policy, as the case may be; or
 - (B) 1, whichever is the lower;
- (ii) for the surrender value under a group policy —
- (A) the ratio of the Maximum Group Surrender Value to the amount of surrender value guaranteed for each group endowment or whole life policy, as the case may be; or
 - (B) 1, whichever is the lower;
- (iii) for the commuted value of group annuity —
- (A) the ratio of the Maximum Annuity Sum to the amount of commuted value of guaranteed benefits for each group annuity policy; or
 - (B) 1, whichever is the lower.

...

SIXTH SCHEDULE

Section 74

FINANCIAL PROVISIONS WITH RESPECT TO DI FUND, PPF LIFE FUND AND PPF GENERAL FUND

Financial year

1.—(1) The financial year of the DI Fund shall begin on 1st April of every year and end on 31st March of the following year.

(2) The financial year of the PPF Life Fund and the PPF General Fund shall begin on 1st April of every year and end on 31st March of the following year, except that the first financial year of the PPF Life Fund and the PPF General Fund shall begin on the effective date appointed under section 46(5) and end on 31st March of the following year.

Accounts of DI Fund, PPF Life Fund and PPF General Fund

2. The Agency shall —

- (a) keep or cause to be kept proper accounts and records of the transactions and affairs in respect of the DI Fund, PPF Life Fund and PPF General Fund; and
- (b) after the close of each financial year prepare financial statements in respect of the DI Fund, PPF Life Fund and PPF General Fund for that year.

Auditor

3. The accounts shall be audited by ~~the Auditor General or such other~~ auditor as may be appointed annually by the Agency ~~in consultation with the Auditor General~~.

Appointment of auditor

4. A person shall not be qualified for appointment as an auditor under paragraph 3 unless he is a public accountant who is registered or deemed to be registered under the Accountants Act (Cap. 2).

Annual financial statements

5. The Agency shall, as soon as practicable after the close of each financial year, prepare and submit financial statements in respect of that year to the auditor.

Remuneration of auditor

6. The remuneration of the auditor shall be paid out of the DI Fund, PPF Life Fund and PPF General Fund in such proportion as the Agency considers proper.

Duties of auditor

7. The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the DI Fund, PPF Life Fund and PPF General Fund, respectively;

- (b) whether proper accounting and other records have been kept, including records of all assets of the DI Fund, PPF Life Fund and PPF General Fund, respectively, whether purchased, donated or otherwise;
- (c) whether the receipts, expenditure and investment of moneys by the DI Fund, PPF Life Fund and PPF General Fund, respectively, during the financial year were in accordance with the provisions of this Act; and (d) such other matters arising from the audit as he considers necessary.

Auditor's report

8.—(1) The auditor shall, as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Agency.

(2) The auditor shall submit such periodical and special reports to the Minister and to the Agency as may appear to him to be necessary or as the Minister or the Agency may require.

Powers of auditor

9.—(1) The auditor or any person authorised by him shall be entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the DI Fund, PPF Life Fund and PPF General Fund, and may make copies of or extracts from any such accounting and other records.

(2) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act.

Penalty for obstructing auditor

10. Any person who fails, without reasonable excuse, to comply with any requirement of the auditor under paragraph 9(2) or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$4,000.

Presentation of audited financial statements and auditor's report

11. The Agency shall, as soon as the financial statements have been audited in accordance with the provisions of this Act, submit a copy of the audited financial statements, together with a copy of the auditor's report, to the Minister.

Copy of auditor's report for Auditor-General

12. ~~Where the Auditor-General is not the auditor of the DI Fund, PPF Life Fund or PPF General Fund,~~ The Agency shall cause to be sent to the Auditor-General a copy of the audited financial statements and any report made by the auditor at the same time they are submitted to the Minister.

SEVENTH SCHEDULE

Section 75

FINANCIAL PROVISIONS WITH RESPECT TO AGENCY

Financial year

1. The financial year of the Agency shall comprise such period as may be specified in the ~~constitution memorandum and articles of association~~ of the Agency.

Accounts of Agency

2. The Agency shall keep proper accounts and records of its transactions and affairs and shall do all things necessary to ensure that all payments out of its moneys are properly authorised and correctly made and that adequate control is maintained over the assets of, or in the custody of, the Agency and over the expenditure incurred by the Agency.

Auditor

3. The accounts of the Agency shall be audited by ~~the Auditor General or such other~~ auditor as may be appointed annually by the Agency ~~in consultation with the Auditor General~~.

Appointment of auditor

4. A person shall not be qualified for appointment as an auditor under paragraph 3 unless he is a public accountant who is registered or deemed to be registered under the Accountants Act (Cap. 2).

Remuneration of auditor

5. The remuneration of the auditor shall be paid out of the DI Fund, PPF Life Fund and PPF General Fund in such proportion as the Agency considers proper.

Annual financial statements

6. The Agency shall, as soon as practicable after the close of each financial year, prepare and submit financial statements in respect of that year to the auditor of the Agency.

Duties of auditor

7. The auditor shall in his report state —
 - (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Agency;
 - (b) whether proper accounting and other records have been kept, including records of all assets of the Agency, whether purchased, donated or otherwise;
 - (c) whether the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Agency during the financial year were in accordance with the provisions of this Act; and
 - (d) such other matters arising from the audit as he considers necessary.

Auditor's report

8.—(1) The auditor shall, as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Agency.

(2) The auditor shall submit such periodical and special reports to the Minister and to the Agency as may appear to him to be necessary or as the Minister or the Agency may require.

Powers of auditor

9.—(1) The auditor or any person authorised by him shall be entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Agency and may make copies of or extracts from any such accounting and other records.

(2) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act.

Penalty for obstructing auditor

10. Any person who fails, without reasonable excuse, to comply with any requirement of the auditor under paragraph 9(2) or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$4,000.

Presentation of audited financial statements and auditor's report

11. The Agency shall, as soon as the financial statements have been audited in accordance with the provisions of this Act, submit a copy of the audited financial statements, together with a copy of the auditor's report, to the Minister.

Copy of auditor's report for Auditor-General

12. ~~Where the Auditor-General is not the auditor of the Agency, t~~The Agency shall cause to be sent to the Auditor-General a copy of the audited financial statements and any report made by the auditor at the same time they are submitted to the Minister.

**DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES (DEPOSIT
INSURANCE) REGULATIONS 2011**

THIRD SCHEDULE

Regulation 6(1) and (2)

PREMIUM RATES APPLICABLE TO DI SCHEME MEMBERS

First column	Second column
Category of DI Scheme members	Premium rate
1. A DI Scheme member which is — (a) incorporated in Singapore; or (b) a foreign bank with an asset maintenance ratio of more than 5	0.025%
2. A DI Scheme member which is a foreign bank with an asset maintenance ratio of more than 2 but not more than 5	0.035%
3. A DI Scheme member which is a foreign bank with an asset maintenance ratio of 2 or less	0.087%

**DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES (POLICY
OWNERS' PROTECTION SCHEME) REGULATIONS 2011**

Caps for compensation payout from PPF General Fund

8A.—(1) For the purposes of determining the compensation from the PPF General Fund, an insured policy owner shall be entitled to a compensation subject to the maximum amount per class or type of claim, where applicable, as follows –

- (a) \$50,000, arising from own property damage only, for a policy of insurance which provides personal motor cover; and
- (b) \$300,000, arising from property damage, for a policy of insurance which provides personal property (structure and contents) cover.

Annex C

LIST OF QUESTIONS

Question 1. MAS seeks comments on the proposal to enhance depositor protection by raising the DI coverage limit from S\$50,000 to S\$75,000 per depositor per Scheme Member.....4

Question 2. MAS seeks comments on the proposal to achieve the target fund size within a reasonable period by (i) extending the build-up period of the DI Fund to 2028; and (ii) to revise the annual premium rates to between 2.5bps and 8bps.....5

Question 3. MAS seeks comments on the proposal to provide legal protection and indemnification for former and current directors, officers, agents and employees for reasonable legal costs and expenses incurred in connection with actions taken or omissions in good faith, in the normal course of their duties.....6

Question 4. MAS seeks comments on the proposal to require the liquidator to cooperate with SDIC in respect of both the DI and PPF Schemes, by:

(a) imposing a general statutory obligation on the liquidator to cooperate; and

(b) empowering MAS to specify in a written notice the assistance required from the liquidator.....6

Question 5. MAS seeks comments on the proposal to clarify that SDIC can create charges over the assets in the DI Fund and PPF Funds, for the purposes of securing loans for making compensation payouts under the DI-PPF Act.....7

Question 6. MAS seeks comments on the proposal to prohibit entities and agents working on behalf of SDIC or MAS from purchasing assets of failed DI and PPF Scheme Members, except with the approval of MAS.7

Question 7. MAS seeks comments on the proposal to amend Sections 64 and 84 of the DI-PPF Act to require Scheme Members to take reasonable care to ensure that any information disclosed pursuant to those provisions are accurate.....7

Question 8. MAS seeks comments on the proposal to allow SDIC to submit three-year block estimates of the income and expenditure of SDIC and the Funds.8

Question 9. MAS seeks comments on the draft legislative amendments to the DI-PPF Act and Regulations, as set out in Annex B.....9

