

DBU-ACU Divide: Additional Questions from Industry

Question	Respondent
<p>Request MAS to publish the detailed requirements of the proposed changes to regulatory limits and requirements currently applicable on the DBU book eg. capital funds, single borrower's limit, asset maintenance ratios, etc following the removal of the DBU/ACU divide as soon as possible. This will enable the banks to take these into consideration together with the proposed revisions to the MAS Notice 610 in their system developments and will help the banks costs associated with such IT developments.</p>	Undisclosed bank
<p>The bank seeks clarification on how the Asset Maintenance Ratio under MAS Notice 640 will be computed once the ACU and DBU books are merged, since the ratio requirements for ACU and DBU books are different.</p>	KPMG Bank D
<p>The bank also has additional comment in connection with removal of DBU-ACU divide: In the MAS "Response to Feedback Received – Removing the DBU-ACU Divide–Implementation Issues" issued on 10 February 2017, the MAS commented that MAS Notice 639 concentration limits for foreign branches will be removed once the BCBS standardised supervisory framework to measure and control banks' large exposures to a single counterparty is implemented by member jurisdictions from 1 January 2019. Can the MAS clarify whether this will be a jurisdiction by jurisdiction assessment, and what will be the impact on MAS Notice 639 removal if there are any delays to implementation of the BCBS framework beyond the go-live date for DBU-ACU removal?</p>	KPMG Bank K