

MAS NOTICE 1013

29 June 2021

NOTICE TO MERCHANT BANKS
BANKING ACT, CAP. 19

Disclosure in Financial Statements

1 This Notice is issued pursuant to section 55(1) as applied by section 55ZJ(1) of the Banking Act (Cap. 19) [the Act] and applies to all merchant banks in Singapore ("Merchant Banks")¹.

Definitions

2 For the purposes of this Notice, "Accounting Standards" has the same meaning as in section 4 of the Companies Act (Cap. 50).

3 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

Disclosure Requirements Applicable to Merchant Banks

4 A Merchant Bank must, apart from complying with the requirements set out in the Companies Act, including the disclosure requirements specified in the Accounting Standards, disclose in its financial statements the gross aggregate amount of all credit facilities granted by the Merchant Bank that are classified as sub-standard, doubtful or loss under MAS Notice 1005 on Credit Files, Grading and Provisioning.

5 A Merchant Bank that is incorporated outside Singapore must, where applicable, disclose in its financial statements that are lodged in accordance with section 373(1) of the Companies Act, the fact that in the event of receivership, winding up proceedings or such equivalent proceedings of the Merchant Bank, the regulatory authority in the country or jurisdiction where the Merchant Bank is incorporated requires its head office to confer a lower priority in the repayment of deposits, to depositors of the branches of the Merchant Bank located outside of the home country or jurisdiction, as compared to depositors of the Merchant Bank in its home country or jurisdiction.

6 This Notice takes effect on 1 July 2021.

¹ This Notice sets out certain disclosure requirements that apply to Merchant Banks in addition to the requirements relating to financial statements as specified in the Companies Act, including the Accounting Standards prescribed under the Companies Act. The presentation and layout of the financial statements is a matter for Merchant Banks to decide in consultation with their auditors. Merchant Banks may disclose other information in their financial statements, in addition to those specified in this Notice.