

MAS NOTICE 601 (AMENDMENT) 2018

Issued on: 22 January 2018

CAPITAL FUNDS, NET HEAD OFFICE FUNDS AND HEAD OFFICE CAPITAL FUNDS

Introduction

1 For presentational purposes, the amendments in this document are compared against the version of MAS Notice 601 issued on 6 June 2007 (the "Original Notice").

2 This document shall be interpreted as follows:

- (a) Text which is coloured and struck through represents deletion which will not appear in the untracked version of MAS Notice 601 revised on 22 January 2018, which is published on MAS' website www.mas.gov.sg ("Published Version"); and
- (b) Text which is coloured and underlined represents insertion which will appear in the Published Version.

3 The amendments reflected in this document shall take effect on the following dates:

- (a) in the case of a bank that has its annual period commencing on or before 22 January, with immediate effect;
- (b) in the case of a bank that has its annual period commencing after 22 January, with effect from the day on which that annual period commences in 2018.

4 This document is to be used for reference only. In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail.

MAS Notice 601

6 June 2007

Last revised on 22 January 2018

NOTICE TO BANKS
BANKING ACT, CAP 19

CAPITAL FUNDS, NET HEAD OFFICE FUNDS AND HEAD OFFICE CAPITAL FUNDS

1 This Notice is issued pursuant to sections 2 and 9 of the Banking Act (Cap. 19) ["the Act"].

Definition

2 In this Notice, "DBU operations", in relation to a bank, means any operations of the bank in Singapore, other than operations of an Asian Currency Unit approved under section 77 of the Act.

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

Definition of Capital Funds

4 For the purposes of sub-paragraph (a) of the definition of "capital funds" in section 2(1) of the Act, the following are to be excluded as "capital funds":

- (a) revaluation reserves;
- (b) unrealised fair value gains or losses on ~~revaluation of available-for-sale ("AFS")~~ equity securities held at fair value through other comprehensive income;
- (c) unrealised fair value gains or losses on ~~revaluation of AFS~~ debt securities and ~~AFS~~ loans held at fair value through other comprehensive income; and
- (d) cumulative fair value gains or losses on cashflow hedges of financial instruments that are measured at amortised cost.

[\[MAS Notice 601 \(Amendment\) 2018\]](#)

5 For the purposes of sub-paragraph (b) of the definition of "capital funds" in section 2(1) of the Act—

- (a) the term "net head office funds" means the net liability of the DBU operations of the bank to the bank's head office, other branches outside Singapore, and its Asian Currency Unit in Singapore, deduction having been made for any loss appearing in the books of the DBU operations and the operations of the Asian Currency Unit;

(b) the expression "such other liabilities" means the reserves and profits appearing in the books of the DBU operations of the bank in Singapore, other than reserves which are due to the writing down of the value of assets, provision for depreciation of fixed assets, reserves maintained for specific purposes and shall exclude—

- (i) unrealised fair value gains or losses on ~~revaluation of available for sale ("AFS")~~ equity securities held at fair value through other comprehensive income;
- (ii) unrealised fair value gains or losses on ~~revaluation of AFS~~ debt securities and ~~AFS~~ loans held at fair value through other comprehensive income; and
- (iii) cumulative fair value gains or losses on cashflow hedges of financial instruments that are measured at amortised cost.

[\[MAS Notice 601 \(Amendment\) 2018\]](#)

Definition of Head Office Capital Funds

6 For the purposes of the definition of "head office capital funds" in section 9(9) of the Act, the term "published reserves" shall exclude any revaluation reserves.

Effective Date

7 This Notice shall take effect on 11 June 2007.

* Notes on History of Amendments

1. MAS Notice 601 dated 18 July 2001 was cancelled with effect from 11 June 2007.

2. MAS Notice 601 dated 6 June 2007 took effect on 11 June 2007.

3. MAS Notice 601 (Amendment) 2018 shall take effect on the following dates:

(a) in the case of a bank that has its annual period commencing on or before 22 January, with immediate effect;

(b) in the case of a bank that has its annual period commencing after 22 January, with effect from the day on which that annual period commences in 2018.