



**Monetary Authority of Singapore**

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**INSURANCE ACT  
(CAP. 142)**

**NOTICE ON LENDING OF SINGAPORE DOLLAR TO  
NON-RESIDENT FINANCIAL INSTITUTIONS**

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**Notice No** : MAS 109  
**Issue Date** : 28 May 2004 (last revised on 28 June 2021)

## **NOTICE ON LENDING OF SINGAPORE DOLLAR TO NON-RESIDENT FINANCIAL INSTITUTIONS**

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MAS Notice 109 dated 20 March 2002 is cancelled.

### **1 Scope**

1.1 This Notice issued pursuant to section 64(2) of the Insurance Act (Cap 142) (the “Act”) governs the lending of S\$ by insurers to non-resident financial institutions.

[MAS Notice 109 (Amendment) 2021]

1.2 This Notice does not apply to captive insurers.

1.3 This Notice does not apply to the lending of S\$ to individuals and non-financial institutions (including corporate treasury centres).

1.4 This Notice does not permit insurers to engage in financial services beyond the scope of their registrations or in contravention of the Act or Insurance Regulations, or other MAS Notices, Directions or Guidelines.

[MAS Notice 109 (Amendment) 2021]

### **2 Definition**

2.1 In this Notice:

“Entities” include legal entities, partnerships/firms and other forms of business vehicles;

[MAS Notice 109 (Amendment) 2021]

“Financial institutions” means entities whose main business is in financial services, including one or more of the following:

- (a) banking;
- (b) merchant banking;

- (c) investment banking;
- (d) financing;
- (e) insurance;
- (f) dealing in capital market products;
- (g) asset / fund management (including hedge funds);
- (h) money, futures, and prime brokering;
- (i) other types of financial activity that MAS may designate in writing;

[MAS Notice 109 (Amendment) 2021]

“Non-residents” means entities which do not fall within the definition of a resident;

[MAS Notice 109 (Amendment) 2021]

“Residents” means:

- (a) companies which are at least 50% owned by Singapore citizens;  
or
- (b) the following financial institutions in Singapore which are subject to this notice, or MAS Notices 757, 816, 1105 or SFA 04-N04:
  - (i) a bank licensed under the Banking Act (Cap 19);
  - (ii) a merchant bank licensed under the Banking Act;
  - (iii) a finance company licensed under the Finance Companies Act (Cap 108);
  - (iv) a licensed insurer (other than a captive insurer) under the Act; and
  - (v) a person holding a capital markets services licence to carry on a business of dealing in capital market products that are securities, units in a collective investment scheme or securities-based derivatives contracts under the Securities and Futures Act (Cap 289); and

[MAS Notice 109 (Amendment) 2021]

“S\$ credit facilities” include loans, contingent credit lines and foreign exchange swaps involving a sale of S\$ to a non-resident financial institution in the first leg of the transaction.

[MAS Notice 109 (Amendment) 2021]

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

[MAS Notice 109 (Amendment) 2021]

### **3 S\$ Credit Facilities**

3.1 An insurer may lend S\$ to non-resident financial institutions for any purpose whether in Singapore or elsewhere as long as the aggregate S\$ credit facilities do not exceed S\$5 million per entity<sup>1</sup>.

[MAS Notice 109 (Amendment) 2021]

3.2 Where an insurer lends S\$ to a non-resident financial institution for any purpose whether in Singapore or elsewhere and the aggregate S\$ credit facilities exceed S\$5 million for that non-resident financial institution, an insurer must comply with all of the following conditions:

[MAS Notice 109 (Amendment) 2021]

- (a) Where the S\$ proceeds are to be used outside Singapore, the insurer must ensure that the S\$ proceeds are swapped or converted into foreign currency upon draw-down;

[MAS Notice 109 (Amendment) 2021]

- (b) Notwithstanding paragraph 3.2(a), the insurer must not extend S\$ credit facilities to non-resident financial institutions if there is reason to believe that the S\$ proceeds may be used for S\$ currency speculation.

[MAS Notice 109 (Amendment) 2021]

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<sup>1</sup> For financial institutions seeking to obtain S\$ credit facilities, each subsidiary is considered a separate entity while the head office and all overseas branches are collectively regarded as one entity.

[MAS Notice 109 (Amendment) 2021]

3.3 An insurer must report to MAS, monthly, its aggregate outstanding S\$ lending to non-resident financial institutions in the format in Appendix 1. Where an insurer does not have any aggregate outstanding S\$ lending to non-resident financial institutions for a particular month, the insurer must submit a nil return for that month. An insurer must submit all of the information required in Appendix 1 to the Monetary Management Division of MAS no later than 10 working days after the reporting month. An insurer must keep documentary evidence supporting these S\$ credit facilities for audit and inspection purposes.

[MAS Notice 109 (Amendment) 2021]

#### **4 Consultation Procedure**

4.1 Should an insurer need to consult MAS, it may write to:

[MAS Notice 109 (Amendment) 2021]

Monetary Management Division, MAS  
10 Shenton Way, MAS Building  
26th Floor  
Singapore 079117  
Fax: 62299491  
Email: [sgddiv@mas.gov.sg](mailto:sgddiv@mas.gov.sg)

#### **\* Endnotes on History of Amendments**

1. MAS Notice 109 (Amendment) 2018 with effect from 8 October 2018.
2. MAS Notice 109 (Amendment) 2021 dated 28 June 2021 with effect from 1 July 2021.

**APPENDIX 1**

**OUTSTANDING S\$ CREDIT FACILITY (To be submitted online)**

**AS AT END OF (month)**

Name of Insurer \_\_\_\_\_ Insurer Code \_\_\_\_\_

Officer-in-charge \_\_\_\_\_ (Tel) \_\_\_\_\_

**S\$ CREDIT FACILITIES**

<b>Non-Resident Financial Institution</b>	<b>Outstanding Amount (S\$'m)</b>
In Singapore	
Outside Singapore	
Total	