



## **MAS Notice 603**

22 Dec 2004

Last revised on 12 Oct 2022\*

### **NOTICE TO BANKS**

### **BANKING ACT, CAP 19**

### **BRANCHES, PLACES OF BUSINESS AND AUTOMATED TELLER MACHINES**

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1 This Notice is issued pursuant to section 55 of the Banking Act (Cap. 19) [the "Act"].

#### **Applicability of this Notice**

2 This Notice applies to all banks in Singapore, except to the extent where Singapore has committed, under any free trade agreement, to subject such bank to any requirement in respect of limitations on places of business and the setting up of off-premise automated teller machines ("ATMs") and ATM networks which are less restrictive than the requirements in this Notice, in which case such commitments shall be deemed to have been incorporated into this Notice.

#### **Definitions**

3 For the purposes of this Notice—

"cardholder", "credit card" and "charge card" have the same respective meanings as in regulation 2 of the Banking (Credit Card and Charge Card) Regulations 2013;

[MAS Notice 603 (Amendment) 2013]

"foreign bank" means any foreign full bank or wholesale bank;

[MAS Notice 603 (Amendment) 2020]

“foreign full bank” means –

- (a) any branch or office of a full bank incorporated outside Singapore which is located within Singapore; or
- (b) any full bank which is incorporated in Singapore with its holding or ultimate holding company incorporated outside Singapore;

“full bank” means any bank holding a licence granted by the Authority under the Act which permits the bank to carry on the full range of banking business;

“holding company” has the same meaning as in section 5 of the Companies Act (Cap. 50)

“local bank” means any bank in Singapore that is not a foreign bank;

[MAS Notice 603 (Amendment) 2020]

“off-premise ATM”, in relation to a bank in Singapore, means any ATM or cash deposit machine which is installed other than at a branch of the bank;

[MAS Notice 603 (Amendment) 2020]

“place of business”

- (a) for the purposes of paragraphs 12 and 13 of this Notice, has the same meaning as in section 2 of the Act; and
- (b) in all other cases, means any place, whether in the form of a branch, off-premise ATM or otherwise, used by a bank in Singapore for the conduct of one or more of the following businesses:
  - (i) the dispensing or acceptance of money on account;
  - (ii) the conduct of other banking business.

[MAS Notice 603 (Amendment) 2020]

“qualifying full bank” means any foreign full bank which is accorded qualifying full bank privileges;

“ultimate holding company” has the same meaning as section 5A of the Companies Act (Cap. 50); and

“wholesale bank” means any bank holding a licence granted by the Authority under the Act which categorises the bank as a wholesale bank and entitles it to carry on a limited range of banking business.

4 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.

### **Limit on the number of places of business**

#### Qualifying full banks (“QFBs”)

5 A QFB must not have more than 25 places of business.

6 *[deleted]*

[MAS Notice 603 (Amendment) 2020]

6A The Authority may, on the application by any QFB—

- (a) exclude a place of business from the application of the limit on the number of places of business that the QFB may establish; or
- (b) where the QFB is not subject to a limit on the number of places of business that it may establish, allow the QFB to treat two or more of its places of business as one, for the purpose of ATM sharing agreements with other QFBs, subject to such conditions as the Authority think fit.

[MAS Notice 603 (Amendment) 2008]

[MAS Notice 603 (Amendment) 2020]

6B For the avoidance of doubt, any ATM that is installed by:

- (a) a QFB (“QFB A”); or
- (b) another QFB (“QFB B”) or other entity but which can be accessed by the customers of QFB A pursuant to an arrangement between QFB A and QFB B or the other entity, as the case may be (“ATM sharing arrangement”),

is a place of business of QFB A for which QFB A would have to apply for approval under section 12(1) of the Act.

[MAS Notice 603 (Amendment) 2008]

[MAS Notice 603 (Amendment) 2020]

6C Notwithstanding paragraph 5, the first 25 places of business (other than branches) belonging to QFB B that the customers of QFB A may access pursuant to an ATM sharing arrangement between QFB A and QFB B, will be excluded from the application of the limit on the number of places of business that QFB A may establish. In determining the first 25 places of business of QFB B that the customers of QFB A may access, QFB A may take into account how such places of business are treated by QFB B<sup>1</sup>.

[MAS Notice 603 (Amendment) 2008]

[MAS Notice 603 (Amendment) 2020]

6D Without prejudice to paragraph 6A, the Authority may approve an application by a QFB to not count such further places of business of another QFB (in excess of the first 25 places of business referred to in paragraph 6C) that the customers of the first-mentioned QFB may access pursuant to an ATM sharing arrangement, subject to such conditions as the Authority thinks fit.

[MAS Notice 603 (Amendment) 2008]

[MAS Notice 603 (Amendment) 2020]

6E A foreign full bank that is accorded qualifying full bank privileges after 28 June 2012 must not establish more than one place of business unless –

- (a) retail operations of the bank are incorporated in Singapore; or
- (b) the bank is utilising QFB privilege quotas committed in free trade agreements that has not been utilised as of 28 June 2012.

[MAS Notice 603 (Amendment) 2020]

#### Foreign full bank which is not a QFB

7 A foreign full bank which is not a QFB, must not increase the number of its places of business. Under exceptional circumstances, the Authority may, on the application of such a bank, grant an increase in the number of its places of business, subject to such conditions as the Authority thinks fit.

[MAS Notice 603 (Amendment) 2020]

#### Wholesale banks

8 A wholesale bank must only have one place of business except where the Authority has granted its approval for it to have a greater number of places of business. Under exceptional circumstances, the Authority may, on the application of a

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<sup>1</sup> For example, where QFB B has two ATMs in close proximity and has obtained the approval of the Authority pursuant to paragraph 6A of this Notice to exclude the second of these two ATMs from the application of the limit on the number of places of business that QFB B may establish, QFB A would similarly be able to exclude the second of these two ATMs for the purposes of determining whether the limit of 25 has been reached.

wholesale bank, grant an increase in the number of its places of business, subject to such conditions as the Authority thinks fit.

[MAS Notice 603 (Amendment) 2020]

### Temporary locations

9 Subject to paragraph 10, a bank must not, without the prior approval of the Authority, set up at any temporary location where applications are received for credit cards, charge cards or any unsecured credit facilities. The Authority would not ordinarily grant its approval for any such set up at temporary locations.

[MAS Notice 603 (Amendment) 2013]

[MAS Notice 603 (Amendment) 2020]

10 A bank may set up a temporary location at the launch of a product (such as an immovable property or a vehicle) where applications are received by the bank for secured credit facilities in relation to the product launched, other than for credit cards or charge cards. Where an application for the setting up of such temporary location is made under section 12 of the Act, such application would be granted as a matter of course, and such a temporary location shall be excluded from the application of the limit on the number of places of business in respect of that bank.

11 In respect of a temporary location set up by a bank for purposes other than those set out in paragraphs 9 and 10 and approved under section 12 of the Act, the Authority may, on application by the bank, exclude such a temporary location from the application of the limit on the number of places of business in respect of that bank.

### **Notification of setting up or relocation of place of business**

12 Section 12(1) of the Act provides that a bank shall not change the location of its place of business for the conduct of any business referred to in section 12(2) of the Act without the approval of the Authority. Where an application for change of location is made by a QFB or a local bank, such an application would be granted as a matter of course.

13 Where a bank has obtained the approval of the Authority under s12(1) of the Act, the bank must inform the Authority in writing within 7 days of setting up the new place of business in Singapore or changing the location of an existing place of business in Singapore, for the conduct of any business referred to in section 12(2) of the Act.

[MAS Notice 603 (Amendment) 2020]

## **ATM and ATM networks**

14 Subject to paragraph 14A, a foreign bank shall not enter into any arrangement for access to the ATM network of a local bank.

[MAS Notice 603 (Amendment) 2005]

14A A QFB may, with the prior approval of the Authority, enter into any arrangement with a local bank for access to the ATM network of the local bank for the purpose of permitting a cardholder of the QFB to obtain cash advances from his credit or charge card account, as the case may be. Where such an application for approval is made by a QFB, it would be granted as a matter of course, subject to such conditions as the Authority may impose.

[MAS Notice 603 (Amendment) 2005]

15 A foreign bank, other than a QFB or a qualifying subsidiary of a QFB, shall not install any off-premise ATM or permit the use of its ATMs by any other foreign banks.

[MAS Notice 603 (Amendment) 2022]

16 A QFB shall not permit the use of its ATM network by any other foreign bank, other than a QFB or a qualifying subsidiary of a QFB.

[MAS Notice 603 (Amendment) 2022]

## **Electronic funds transfer at point of sale (“EFTPOS”)**

17 A foreign bank, other than a QFB or a qualifying subsidiary of a QFB, shall not provide any debit services on an EFTPOS network.

[MAS Notice 603 (Amendment) 2022]

## **Commencement**

18 (1) This Notice shall take immediate effect.

(2) MAS Notice 603 dated 11 November 2002 and Circular No. BD 26/2003 dated 8 December 2003 are cancelled with immediate effect.

\* Endnotes on History of Amendments

1. MAS Notice 603 dated 11 November 2002 and Circular No. BD 26/2003 dated 8 December 2003 are cancelled with effect from 22 December 2004.
2. MAS Notice 603 dated 22 December 2004 takes effect from 22 December 2004.
  - (a) MAS Notice 603 (Amendment) 2005 with effect from 19 Oct 2005.
  - (b) MAS Notice 603 (Amendment) 2008 with effect from 6 Feb 2008.
  - (c) MAS Notice 603 (Amendment) 2013 with effect from 1 Dec 2013.
  - (d) MAS Notice 603 (Amendment) 2020 with effect from 25 Aug 2020.
  - (e) MAS Notice 603 (Amendment) 2022 with effect from 13 Oct 2022.