

RESPONSE TO FEEDBACK RECEIVED

February 2019

Proposed Amendments to MAS Notice 1111 on Risk Based Capital Adequacy Requirements for Merchant Banks Incorporated in Singapore

MAS

Monetary Authority of Singapore

1 Preface

1.1 On 17 October 2014, MAS consulted on proposed amendments to MAS Notice 1111 on Risk Based Capital Adequacy Requirements for Merchant Banks Incorporated in Singapore, to strengthen the capital framework for merchant banks by incorporating key components of the Basel III capital standards as then set out by the Basel Committee on Banking Supervision (BCBS).

1.2 We would like to thank all respondents for their feedback. The list of respondents is in Annex A.

2 Response to Feedback

2.1 Some respondents supported adopting key components of the Basel III capital standards in the capital framework for Singapore-incorporated merchant banks, to enhance their resilience in times of stress. Other respondents commented that the nature of activities and risks undertaken by merchant banks should be considered in determining the appropriate capital standards.

MAS' Response

2.2 In December 2017, the BCBS finalised reforms to the Basel III capital standards¹. The capital standards set out by the BCBS apply to internationally active banks, while giving national supervisors discretion to apply prudential standards to banks that are not internationally active. In this context, MAS will not proceed with the proposed amendments to MAS Notice 1111. The existing risk based capital requirements under MAS Notice 1111 will continue to apply to Singapore-incorporated merchant banks. MAS will consider the appropriateness of the revised Basel capital standards for merchant banks, and consult the industry on any proposed revisions.

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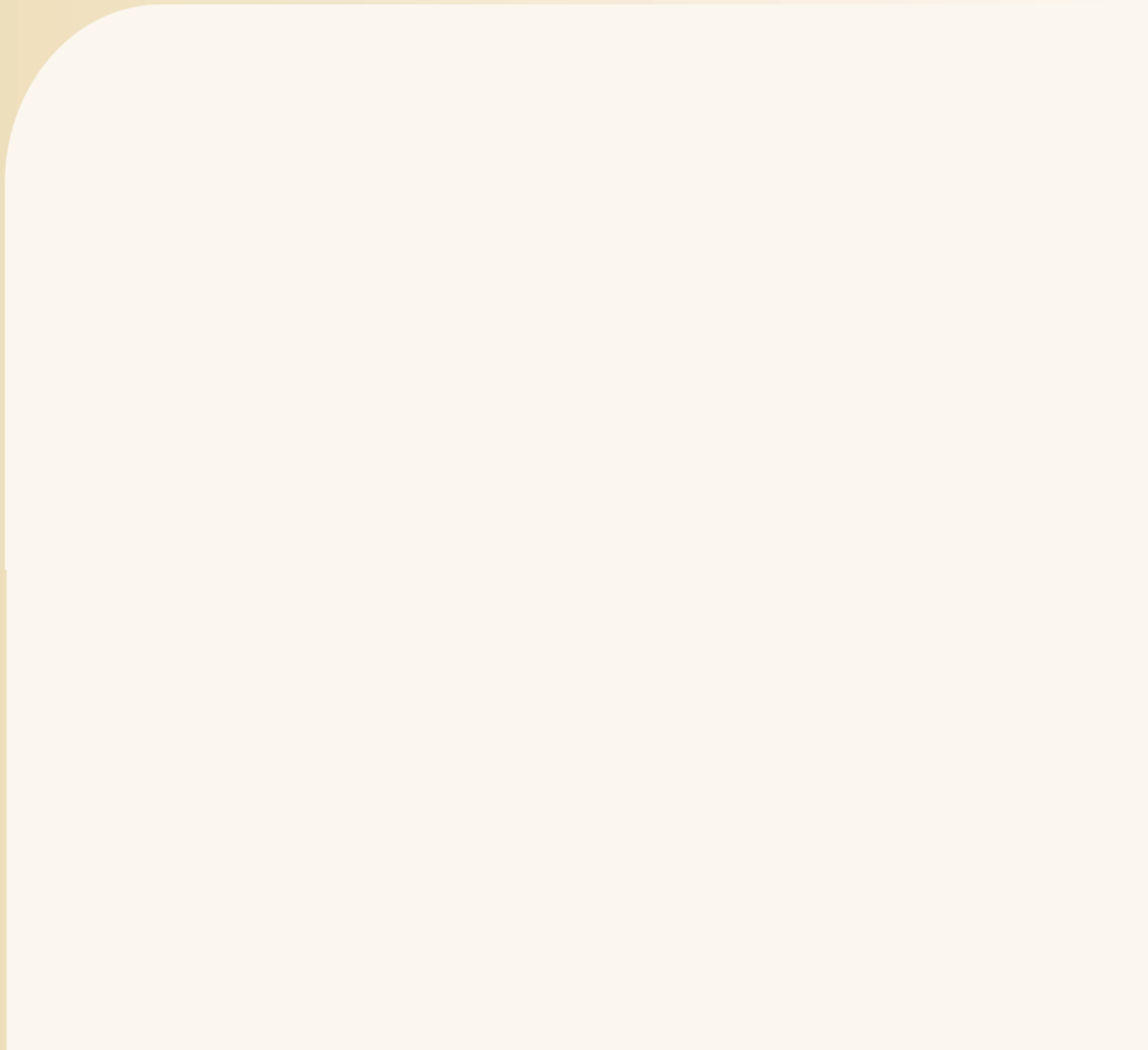
1 February 2019

¹ "Basel III: Finalising post-crisis reforms", accessible at <https://www.bis.org/bcbs/publ/d424.pdf>.

Annex A

**LIST OF RESPONDENTS TO THE CONSULTATION PAPER ON
PROPOSED AMENDMENTS TO MAS NOTICE 1111**

1. ANZ Singapore Ltd
2. ASEAN Finance Corporation Limited
3. Bank of America Singapore Limited
4. Barclays Merchant Bank (Singapore) Limited
5. Bordier & Cie (Singapore) Ltd
6. BSI Bank Ltd
7. Credit Suisse (Singapore) Ltd
8. DB International (Asia) Ltd
9. J.P. Morgan (S.E.A.) Limited
10. LGT Bank (Singapore) Ltd
11. Mitsubishi UFJ Securities (Singapore), Limited
12. UBS Principal Capital Asia Limited



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