

Notice No : MAS 757 (Amendment) 2021

Issue Date : 28 June 2021

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

Introduction

1 For presentational purposes, the amendments in this document are compared against the version of the MAS Notice 757 on lending of Singapore Dollar to non-resident financial institutions issued on 28 May 2004 (last updated on 5 October 2018).

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 757 revised on 28 June 2021, 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 1 July 2021.

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.



Monetary Authority of Singapore

**BANKING ACT
(CAP. 19)**

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

Notice No : MAS 757
Issue Date : 28 May 2004 (last ~~updated~~revised on ~~5 October 2018~~28 June 2021)

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

MAS Notice 757 dated 20 March 2002 is cancelled.

1 Scope

1.1 This Notice issued pursuant to section 55 of the Banking Act (Cap 19) (~~the “Act”~~) governs the lending of S\$ by banks in Singapore (“Banks”) to non-resident financial institutions.

[MAS Notice 757 (Amendment) 2021]

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

1.3 This Notice does not permit ~~banks~~Banks to engage in financial activities beyond the scope of their licences or in contravention of the ~~Banking Act (Cap 19)~~ or other MAS Notices, Directions or Guidelines.

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2 Definition

2.1 In this Notice:

~~2.1.1~~ “Entities” include legal entities, partnerships/firms and other forms of business vehicles~~;~~

[MAS Notice 757 (Amendment) 2021]

~~2.1.2~~ “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;

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~~2.1.3~~ – “Non-residents” means entities which do not fall within the definition of a resident;

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~~2.1.4~~ – “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 109, ~~757~~, 816, 1105 or SFA 04-N04:
 - (i) a bank licensed under the ~~Banking Act (Cap 19)~~;
 - (ii) a merchant bank approved licensed under ~~section 28 of the Monetary Authority of Singapore Act (Cap 186)~~;
 - (iii) a finance company licensed under the Finance Companies Act (Cap 108);
 - (iv) a registered licensed insurer (other than a captive insurer) under the Insurance Act (Cap 142); 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

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~~2.1.5~~ “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 757 (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 757 (Amendment) 2021]

3 S\$ Credit Facilities

3.1 ~~Banks~~A Bank 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 entity¹.

[MAS Notice 757 (Amendment) 2021]

3.2 ~~For~~Where a Bank lends S\$ to a non-resident financial institution for any purpose whether in Singapore or elsewhere and where the amounts exceeding aggregate S\$ credit facilities exceed S\$5 million per entity, for that non-resident financial institution, a Bank must comply with all of the following conditions~~apply~~:

[MAS Notice 757 (Amendment) 2021]

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

[MAS Notice 757 (Amendment) 2021]

(b) Notwithstanding paragraph 3.2(a), ~~banks~~the Bank may extend temporary S\$ overdrafts of any amount to vostro accounts of non-resident financial institutions for the purpose of preventing settlement failures. However, ~~banks~~the Bank must take

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

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reasonable efforts to ensure that the overdrafts are covered within two business days;

[MAS Notice 757 (Amendment) 2021]

- (c) Notwithstanding paragraphs 3.2(a) and (b), ~~banks shall~~ the Bank 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.

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

[MAS Notice 757 (Amendment) 2021]

4 S\$ Equity and Bond Issuance

4.1 ~~Banks~~ A Bank may arrange S\$ equity or bond issues for non-resident financial institutions. If the S\$ proceeds are to be used outside Singapore, they ~~shall~~ must be swapped or converted into foreign currency before remitting abroad.

[MAS Notice 757 (Amendment) 2021]

5 Consultation Procedure

5.1 Should ~~banks~~ a Bank need to consult MAS, ~~they~~ it may write to:

[MAS Notice 757 (Amendment) 2021]

Monetary Management Division, MAS
10 Shenton Way, MAS Building

26th Floor
Singapore 079117
Fax: 62299491
Email: sgddiv@mas.gov.sg

* Endnotes on History of Amendments

1. MAS Notice 757 (Amendment) 2018 with effect from 8 October 2018.
2. MAS Notice 757 (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 Bank _____ Bank Code _____

Officer-in-charge _____ (Tel) _____

S\$ CREDIT FACILITIES

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