

## **MAS NOTICE 758**

13 February 2008  
Last revised on 24 June 2022\*

NOTICE TO BANKS  
BANKING ACT, CAP 19

### **MINIMUM CASH BALANCE**

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1 This Notice is issued pursuant to section 39(1) of the Banking Act (Cap 19) (“the Act”) and applies to all banks in Singapore.

[MAS Notice 758 (Amendment) 2022]

#### **Definitions**

2 In this Notice —

“computation period” means the relevant 2-week period beginning on a Thursday and ending on a Wednesday;

“maintenance period” means the relevant 2-week period beginning on the third Thursday immediately following the end of a computation period and ending on a Wednesday;

“Current Account” means any account maintained with the Authority for holding cash to meet requirements under the Act and in the case of a bank which is a participant in MEPS+, for the settlement of any payments due and payable by the bank under MEPS+;

“Custody Cash Account” means any account maintained with the Authority for holding cash to meet the requirements under the Act

and in the case of a bank which is a participant in Real-Time, for the settlement of any obligations due and payable by the bank under Real-Time, in accordance with the “Terms and Conditions Governing the Operation of the Custody Cash Account” set out in the MAS website at [www.mas.gov.sg/regulation/payments/meps](http://www.mas.gov.sg/regulation/payments/meps);

[MAS Notice 758 (Amendment) 2022]

“MEPS+” means the real time gross settlement system established and operated by the Authority under section 29A of the Monetary Authority of Singapore Act (Cap 186);

“Real-Time” means the interbank real-time payment processing system under the Bye-Laws of Singapore Clearing House Association In Respect of G3; and

[MAS Notice 758 (Amendment) 2014]

“Singapore Dollar Qualifying Liabilities” has the same meaning as in paragraph 7 of MAS Notice 649.

[MAS Notice 758 (Amendment) 2022]

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

### **Minimum Cash Balance Requirement**

4 A bank must, during a maintenance period, maintain in its Current Account and Custody Cash Account, an aggregate minimum cash balance of at least an average 3% of its average Singapore Dollar Qualifying Liabilities (referred to as “MCB requirement”) computed during a computation period.

[MAS Notice 758 (Amendment) 2014]

[MAS Notice 758 (Amendment) 2022]

5 Subject to paragraph 4, a bank may, on a day-to-day basis, maintain in its Current Account and Custody Cash Account, an aggregate cash balance within a band of 1% above or below the MCB requirement at the close of business. A bank must not count any balance in its Current Account and Custody Cash Account in excess of 4% of the average of its Singapore Dollar Qualifying Liabilities computed during the computation period towards its MCB requirement.

[MAS Notice 758 (Amendment) 2014]  
[MAS Notice 758 (Amendment) 2022]

6 Unless directed otherwise under section 39 of the Act, a bank may, on an intra-day basis, utilise the full amount in its Current Account to settle its payments obligations under MEPS+.

[MAS Notice 758 (Amendment) 2014]

7 Notwithstanding paragraphs 5 and 6, a bank must, at all times, maintain in its Current Account and Custody Cash Account, an aggregate minimum cash balance of at least 2% of the average of the Singapore Dollar Qualifying Liabilities computed during the computation period, at the close of business of every day during the maintenance period.

[MAS Notice 758 (Amendment) 2014]  
[MAS Notice 758 (Amendment) 2022]

8 A bank must treat the aggregate cash balances in its Current Account and Custody Cash Account maintained on Saturday as balances maintained for Sunday. Where a bank does not open for business on Saturday, the bank must treat the aggregate cash balances in its Current Account and Custody Cash Account maintained on Friday as balances maintained for both Saturday and Sunday. A bank must treat the aggregate cash balances in its Current Account and Custody Cash Account maintained immediately before any public holiday as balances maintained for each public holiday concerned. If the Thursday following the last Wednesday of a maintenance period is a public holiday, a bank must have sufficient cash balances in its Current Account and Custody Cash Account to accommodate any increase in the Singapore Dollar Qualifying Liabilities on Thursday.

[MAS Notice 758 (Amendment) 2014]  
[MAS Notice 758 (Amendment) 2022]

9 A bank must ensure that it has sufficient funds in its Current Account with the Authority to meet its obligations arising out of all transactions held on the same day.

[MAS Notice 758 (Amendment) 2022]

10 Any bank which fails to comply with the minimum cash balance requirements set out in paragraphs 4 and 7 shall be liable to pay, on being called upon to do so by the Authority, for every day or part thereof of such failure, a financial penalty in accordance with the Banking (Financial Penalties under Sections 38 and 39) Order 2007.

11 Subject to paragraph 13, for the reporting of the average Singapore Dollar Qualifying Liabilities, a bank must —

- (a) calculate the average Singapore Dollar Qualifying Liabilities for the computation period and prepare returns in the form set out in the “Qualifying Liabilities Returns” form on MASNET, for each computation period; and
- (b) submit the returns mentioned in sub-paragraph (a) to the Authority through MASNET by 4pm on the seventh calendar day after the end of each computation period.

[MAS Notice 758 (Amendment) 2022]

12 Subject to paragraph 13, for the reporting of minimum cash balance returns, every bank must —

- (a) prepare returns on its cash balances in the form set out in the “Minimum Cash Balance Returns” form on MASNET for each maintenance period; and
- (b) submit the returns mentioned in sub-paragraph (a) to the Authority through MASNET by 4pm on the first Friday following the end of a maintenance period.

[MAS Notice 758 (Amendment) 2022]

13 Where a bank is unable to submit any returns mentioned in paragraph 11 or 12 due to an outage in MASNET, the bank need not submit such returns to the Authority through MASNET but must submit the returns in the form set out in Appendices 1 or 2, as the case may be, to the Authority in hardcopy form instead.

13A If a bank wishes to amend its returns (whether submitted in hardcopy form or through MASNET) after the submission deadline, the bank must submit such amended returns in the form set out in Appendices 1 or 2, as the case may be, in hardcopy form to the Authority.

13B A bank must ensure that all hardcopy returns are signed by authorised signatories.

13C A bank must ensure that all figures in the returns submitted under paragraphs 11, 12, 13 and 13A, are rounded down to the nearest dollar.

[MAS Notice 758 (Amendment) 2022]

### **Effective Date and Transitional Provisions**

14 This Notice shall take effect on 31 July 2008.

#### **\* Notes on History of Amendments**

1. MAS Notice 758 (Amendment) 2014 with effect from 6 March 2014.
2. MAS Notice 758 (Amendment) 2022 dated 24 June 2022 with effect from 1 July 2022.

**Manual Submission/ Amendment\* of Singapore Dollar Qualifying Liabilities Returns**

4-digit Bank Code : \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Average Singapore Dollar Qualifying Liabilities for the fortnight ending Wednesday \_\_\_\_\_ (DD/MM/YY) for the maintenance period \_\_\_\_\_ (DD/MM/YY) to \_\_\_\_\_ (DD/MM/YY):

S\$ \_\_\_\_\_

Authorised Signature(s) : \_\_\_\_\_

Name(s) : \_\_\_\_\_

Designation(s) : \_\_\_\_\_

Date : \_\_\_\_\_

\* Please delete accordingly

**Manual Submission/ Amendment\* of Minimum Cash Balance Returns**

4-digit Bank Code : \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Average Singapore Dollar Qualifying Liabilities : \_\_\_\_\_

Maintenance Period (DD/MM/YYYY) : \_\_\_\_\_

	Week 1	Week 2
Thursday	_____	_____
Friday	_____	_____
Saturday	_____	_____
Sunday	_____	_____
Monday	_____	_____
Tuesday	_____	_____
Wednesday	_____	_____
Total	_____	_____

Authorised Signature(s) : \_\_\_\_\_

Name(s) : \_\_\_\_\_

Designation(s) : \_\_\_\_\_

Date : \_\_\_\_\_

\* Please delete accordingly