

MAS Notice 609 (Amendment) 2019

Issued on: 29 March 2019

AUDITORS' REPORTS AND ADDITIONAL INFORMATION TO BE SUBMITTED WITH ANNUAL ACCOUNTS

Introduction

- 1 For presentation purposes, the amendments in this document are compared against the version of MAS Notice 609 issued on 24 December 2018 (the "Original Notice").
- 2 This document shall be interpreted as follows:
 - (a) Text which is coloured and struck through represents deletions;
 - (b) Text which is coloured and underlined represents insertions; and
 - (c) Portions of the Original Notice which are not reflected in this document are unchanged.
- 3 The amendments reflected in this document shall take effect from 29 March 2019.
- 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 of MAS Notice 609 revised on 29 March 2019 (with effect from 29 March 2019), the published version of MAS Notice 609 shall prevail.

MAS Notice 609

30 June 2016

Last revised on ~~24 December 2018~~ 29 March 2019

NOTICE TO BANKS AND AUDITORS
BANKING ACT, CAP. 19

AUDITORS' REPORTS AND ADDITIONAL INFORMATION TO BE SUBMITTED WITH
ANNUAL ACCOUNTS

This notice is issued pursuant to sections 26 and 58 of the Banking Act (Cap. 19) [“the Act”] and applies to all banks and auditors of the banks.

Definitions

2 In this Notice, "auditor" means an auditor appointed by –

- (a) a bank under section 58 of the Act; or
- (b) the Authority under section 58(3) of the Act.

3 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.

Reports of the Auditor of the Bank

4 For the purposes of section 26(1) and 26(2)(a)(ii) of the Act, every bank shall furnish to the Authority the following documents:

- (a) a copy of the auditors' long form report, which shall include –
 - (i) findings and recommendations, if any, on –
 - (A) the accounting system, internal controls, quality of loans and advances and other assets of the bank; and
 - (B) non-compliance with the Act, Companies Act (Cap. 50), directions issued by the Authority, or any other relevant laws and regulations, or non-observance of guidelines issued by the Authority; and
 - (ii) comments on any other areas of weaknesses;
- (b) a copy of the auditors' supplementary report, which shall be addressed to the chief executive of the bank and shall contain the auditors' statement as to

whether, during the course of their examination, anything came to their notice that caused or led them to believe that –

- (i) known bad debts of material amounts had not been written off or fully provided for;
 - (ii) adequate provision had not been made for known material doubtful debts and for any material impairment of other assets; or
 - (iii) there was non-compliance with the Act, Companies Act (Cap. 50), directions issued by the Authority, or any other relevant laws or regulations, or non-observance of guidelines issued by the Authority; and
- (c) in the case of a bank incorporated in Singapore, a copy of the auditor’s report referred to in paragraph 5(b).

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5 Pursuant to sections 58(5)(c) and (d) of the Act, an auditor of a bank incorporated in Singapore shall –

- (a) perform a limited assurance engagement in accordance with the Singapore Standard on Assurance Engagements 3000 (Revised) issued by the Institute of Singapore Chartered Accountants in respect of the reporting schedules submitted by the bank under Part XII of MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore, which relate to the end of each financial year of the bank or the end of any other calendar quarter within the financial year of the bank as the Authority may approve (“Reporting Date”), other than for ~~the reporting schedule~~[Schedule 1C](#) in respect of the leverage ratio [and Schedule 5G in respect of interest rate risk in the banking book](#) (referred to in this Notice as “Reporting Schedules”); and

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- (b) issue a report stating whether, pursuant to its limited assurance engagement in sub-paragraph (a), anything came to the auditor’s attention that caused it to believe that the Reporting Schedules have not been prepared, in all material respects, in accordance with the requirements of that Notice.

6 Pursuant to section 26(1) of the Act, a bank incorporated in Singapore that has established one or more branches in any country outside Singapore shall notify the Authority within a week upon receipt of the relevant supervisory authority's or auditor’s report on the bank's overseas operations, and furnish to the Authority the report as soon as practicable.

Additional Information

7 [Deleted by MAS Notice 609 (Amendment) 2018]

8 [Deleted by MAS Notice 609 (Amendment) 2018]

9 Pursuant to section 26(1) of the Act, any bank that is incorporated in Singapore shall furnish to the Authority the following information:

- (a) consolidated audited financial statements of the bank and its subsidiaries, together with the separate financial statements of any corporation in which the bank holds, directly or through any subsidiary of the bank, 20% or more of the issued share capital; and
- (b) the annual audited consolidated financial statements of the bank's ultimate holding company as defined in section 5A of the Companies Act (Cap. 50),

as soon as practicable.

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10 For the purpose of section 58(5)(c) and (d) of the Act, the auditors of any bank who is a Scheme Member as defined under the Deposit Insurance and Policy Owners' Protection Schemes Act (Cap. 77B) shall in the auditors' statement opine on whether –

- (a) the Schedule I (for all Scheme Members) and II (for every Scheme Member incorporated in a jurisdiction other than Singapore) returns referred to in Notice DIA-N01 on Deposit Insurance Returns have been prepared, in all material respects, in accordance with the requirements of Notice DIA-N01; and
- (b) during the course of their audit, anything came to their attention that caused them to believe that the requirements under Notice DIA-N01 have not been complied with.

Date of Submission

11 Pursuant to section 26(1) of the Act, every bank shall furnish to the Authority the information referred to in paragraphs 4(a) and (b) above together with any other information or financial statements that the bank is required to furnish under section 26(2)(a) of the Act not later than 3 months after the close of each financial year of the bank or such longer period as the Authority may on application of the bank approve.

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12 Pursuant to section 26(1) of the Act, every bank shall furnish to the Authority the information referred to in paragraph 10 not later than 3 months after the close of each financial year of the bank or such longer period as the Authority may on application of the bank approve.

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13 Pursuant to section 26(1) of the Act, every bank incorporated in Singapore shall furnish to the Authority the information referred to in paragraph 4(c) not later than 3 months after the Reporting Date or such longer period as the Authority may on application of the bank approve.

Transitional arrangements in connection with MAS Notice DIA N01 (Amendment) 2018

14 Notwithstanding paragraph 12, for a bank with a financial year ending on 31 December 2018, the auditors' statement required in paragraph 10 for the Schedule I and II returns of Annex B of MAS Notice DIA-N01 on Deposit Insurance Returns, may be furnished to the Authority not later than 3 months after the close of the financial year ending on 31 December 2019.

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Effective date of Notice

~~14~~15 This Notice, other than paragraphs 4(c), 5 and 13, shall take immediate effect.

~~15~~16 Paragraphs 4(c), 5 and 13 shall take effect in respect of the Reporting Schedules which relate to a Reporting Date that falls on or after 31 December 2016.

~~16~~17 MAS Notice 609 dated 24 December 2014 is cancelled with immediate effect.

* Notes on History of Amendments

1. MAS Notice 609 dated 24 December 2014 is cancelled with effect from 30 June 2016.

2. MAS Notice 609 (Amendment) 2018 dated 24 December 2018 with effect from 24 December 2018.

3. MAS Notice 609 (Amendment) 2019 dated 29 March 2019 with effect from 29 March 2019.