

## **MAS NOTICE 613 (AMENDMENT) 2020**

Issued on: 22 January 2020

### **MINIMUM LIQUID ASSETS**

#### **Introduction**

1 This document reflects consequential amendments made to MAS Notice 613 as a result of the commencement of the Payment Services Act 2019 (Act 2 of 2019) on 28 January 2020.

2 For presentational purposes, the amendments in this document are compared with the version of MAS Notice 613 issued on 31 July 2008, as last revised on 30 March 2011 (the “Original Notice”).

3 This document shall be interpreted as follows:

- (a) Text which is coloured and struck through represent deletions, and will not appear in the untracked version of MAS Notice 613 revised on 22 January 2020 (“Published Version”);
- (b) Text which is coloured and underlined represent insertions;
- (c) Text which is highlighted in yellow are annotations to describe changes, and will not appear in the Published Version;
- (d) Any inserted definitions in Paragraph 2 are inserted in alphabetical order with the existing definitions in the Original Notice; and
- (e) Portions of the Original Notice which are not reflected in this document are unchanged.

4 The amendments reflected in this document shall take effect on 28 January 2020.

5 In the event of discrepancies between the amendments in this document and the Published Version, the Published Version shall prevail. This document is to be used for reference only.

## **Amendments to Paragraph 2**

### **Insertion and amendment of the following definitions in Paragraph 2**

“limited purpose e-money” has the same meaning as given by Part 3 of the First Schedule to the Payment Services Act 2019 (Act 2 of 2019);

“Qualifying Liabilities” means the aggregate of:

- (a) all liabilities of the bank<sup>1</sup> denominated in Singapore dollars (“SGD”) due to non-bank customers, computed on a gross basis;
- (b) all liabilities of the bank denominated in SGD due to the Authority within one month from the computation day, computed on a net basis (i.e. after the deduction of all claims denominated in SGD by the bank on the Authority maturing within one month from the computation day), and where this is a net asset, the net asset amount may be deducted from Qualifying Liabilities;
- (c) all liabilities of the bank denominated in SGD due to other banks within one month from the computation day, computed on a net basis (i.e. after the deduction of all claims denominated in SGD by the bank on the other banks maturing within one month from the computation day), and where this is a net asset, the net asset amount shall not be deducted from Qualifying Liabilities and shall be treated as zero;
- (d) 15% of all undrawn commitments denominated in SGD<sup>2</sup>;
- (e) all liabilities arising from the issue of bills of exchange, other than a bill of exchange which satisfies the requirements set out in Appendix 2;
- (f) all liabilities of the bank arising from—
  - (i) the operation-provision of any stored-value facility-money issuance service as defined in section 2(1) of the ~~Payment Systems (Oversight) Act 2006~~Payment Services Act 2019 (Act 2 of 2019); and
  - (ii) the issuance of any limited purpose e-money;

but does not include any liability of the bank arising from—

- (i) any funds received through repurchase agreements of Singapore Government Securities or MAS Bills;

[MAS Notice 613 (Amendment) 2011]

<sup>1</sup> For avoidance of doubt, this excludes any contingent liability of the bank.

<sup>2</sup> In the case where the undrawn commitment is a multi currency facility involving the SGD as a component currency, a bank shall include the entire facility amount as its undrawn commitment for its computation of Qualifying Liabilities. However, if there is a sub-limit for the SGD in the facility, the bank may use the sub-limit amount for its computation of Qualifying Liabilities.

- (ii) any funds received through currency, interest rate and foreign exchange swaps;
- (iii) any issue of subordinated debt, the terms of which comply with the criteria for the treatment of the liabilities as capital in the computation of the bank's capital adequacy ratio under section 10 of the Act, whether or not the entire amount of such liabilities is in fact treated in such computation as capital; and
- (iv) any funds raised through the discounting of any bill of exchange which satisfies the requirements set out in Appendix 2, with other banks or finance companies in Singapore;