

MAS Notice 1002

9 March 2006

Last revised on 29 March 2019

NOTICE TO MERCHANT BANKS

(MAS 1002 dated 1 November 1985 is cancelled)

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

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This Notice is issued pursuant to section 28(3) of the Monetary Authority of Singapore Act (Cap. 186) ["the Act"] read with Directive 6.

### **Definitions**

2 In this Notice, "auditor" means an auditor appointed by a merchant bank under Directive 13.

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 Merchant Bank**

4 Every merchant bank shall furnish to the Authority the following documents:

(a) a set of audited financial statements, together with any notes thereon;

(b) 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 merchant bank; and

(B) any non-compliance with the Act, Banking 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;

(ii) comments on any other areas of weaknesses; and

(c) a copy of the auditors' supplementary report, which shall be addressed to the chief executive of the merchant 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, Banking 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.

[MAS Notice 1002 (Amendment) 2018]

### **Additional Information**

5 Any merchant bank that is incorporated in Singapore shall furnish to the Authority the following information:

(a) consolidated audited financial statements of the merchant bank and its subsidiaries, together with the separate financial statements of any company in which the merchant bank holds, directly or through any subsidiary of the merchant bank, 20% or more of the issued share capital; and

(b) the annual audited consolidated financial statements of the merchant bank's ultimate holding company,

as and when the merchant bank receives such additional information.

[MAS Notice 1002 (Amendment) 2018]

### **Date of Submission**

6 Every merchant bank shall furnish to the Authority the information referred to in paragraph 4 together with any other information or financial statements that the merchant bank is required to furnish under the Directives or Notices not later than 3 months after the close of each financial year of the merchant bank or within such longer period as the Authority may on application of the merchant bank approve.

[MAS Notice 1002 (Amendment) 2019]

[MAS Notice 1002 (Amendment) 2018]

## **Commencement date of Notice**

7 This Notice shall take immediate effect.

8 MAS Notice 1002 dated 1 November 1985 is cancelled with immediate effect.

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

1. MAS Notice 1002 (Amendment) 2018 dated 24 December 2018 with effect from 24 December 2018.

2. MAS Notice 1002 (Amendment) 2019 dated 29 March 2019 with effect from 29 March 2019.