

**Notice No : SFA 04-N04 (Amendment) 2021**  
**Issue Date : 28 June 2021**

**NOTICE ON LENDING OF SINGAPORE DOLLAR TO NON-RESIDENT FINANCIAL INSTITUTIONS FOR HOLDERS OF CAPITAL MARKETS SERVICES LICENCE**

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**Introduction**

1 For presentational purposes, the amendments in this document are compared against the version of the MAS Notice SFA 04-N04 on lending of Singapore Dollar to non-resident financial institutions for holders of capital markets services licence 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 SFA 04-N04 revised on 28 June 2021, which is published on MAS' website [www.mas.gov.sg](http://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**

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**SECURITIES AND FUTURES ACT  
(CAP. 289)**

**NOTICE ON LENDING OF SINGAPORE DOLLAR TO  
NON-RESIDENT FINANCIAL INSTITUTIONS FOR  
HOLDERS OF CAPITAL MARKETS SERVICES LICENCE**

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Notice No : SFA 04-N04  
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 FOR HOLDERS OF CAPITAL MARKETS SERVICES LICENCE

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MAS Notice 1201 dated 20 March 2002 is cancelled.

### 1 Scope

1.1 This Notice issued pursuant to section 101 of the Securities and Futures Act (Cap 289) (the “Act”) governs the lending of S\$ by Capital Markets Services Licence Holders to non-resident financial institutions.

[\[MAS Notice SFA 04-N04 \(Amendment\) 2021\]](#)

1.2 This Notice is only applicable to holders of 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 (“licenseesLicensees”).

[\[MAS Notice SFA 04-N04 \(Amendment\) 2021\]](#)

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

1.4 This Notice does not permit licenseesLicensees to engage in financial services beyond the scope of their licences or in contravention of the ~~Securities and Futures Act (Cap 289) Act~~ or other MAS Notices, Directions or Guidelines.

[\[MAS Notice SFA 04-N04 \(Amendment\) 2021\]](#)

### 2 Definition

2.1 In this Notice:

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

business vehicles;

[\[MAS Notice SFA 04-N04 \(Amendment\) 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;

[\[MAS Notice SFA 04-N04 \(Amendment\) 2021\]](#)

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

[\[MAS Notice SFA 04-N04 \(Amendment\) 2021\]](#)

~~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, or 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 Banking Act (Cap 186)~~;
  - (iii) a finance company licensed under the Finance Companies Act (Cap 108);

- (iv) a registered 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). Act; and~~ [MAS Notice SFA 04-N04 (Amendment) 2021]

~~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 SFA 04-N04 (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 SFA 04-N04 (Amendment) 2021]

### **3 S\$ Credit Facilities**

3.1 ~~Licensees~~A Licensee 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 entity<sup>1</sup>.

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

[MAS Notice SFA 04-N04 (Amendment) 2021]

<sup>1</sup> 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.

[MAS Notice SFA 04-N04 (Amendment) 2021]

- (a) Where the S\$ proceeds are to be used outside Singapore, ~~licensees shall~~ the Licensee must ensure that the S\$ proceeds are swapped or converted into foreign currency upon draw-down;  
[MAS Notice SFA 04-N04 (Amendment) 2021]
- (b) Notwithstanding paragraph 3.2(a), ~~licensees shall~~ the Licensee 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.

[MAS Notice SFA 04-N04 (Amendment) 2021]

3.3 ~~Licensees are required to~~ A Licensee 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 Licensee does not have any aggregate outstanding S\$ lending to non-resident financial institutions for a particular month, the Licensee must submit a nil return is required. All for that month. A Licensee 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. ~~Licensees shall~~ A Licensee must keep documentary evidence supporting these S\$ credit facilities for audit and inspection purposes.

[MAS Notice SFA 04-N04 (Amendment) 2021]

## 4 S\$ Equity and Bond Issuance

4.1 ~~Licensees~~ A Licensee 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 SFA 04-N04 (Amendment) 2021]

## 5 Consultation Procedure

5.1 Should ~~licensees~~ a Licensee need to consult MAS, ~~they~~ it may write to:

[MAS Notice SFA 04-N04 (Amendment) 2021]

Monetary Management Division, MAS  
10 Shenton Way, MAS Building  
26th Floor  
Singapore 079117  
Fax: 62299491  
Email: [sgdiv@mas.gov.sg](mailto:sgdiv@mas.gov.sg)

\* Endnotes on History of Amendments

1. MAS Notice SFA 04-N04 (Amendment) 2018 with effect from 8 October 2018.
2. [MAS Notice SFA 04-N04 \(Amendment\) 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 Capital Markets Services Licence Holder \_\_\_\_\_

Officer-in-charge \_\_\_\_\_ (Tel) \_\_\_\_\_

**S\$ CREDIT FACILITIES**

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