

Directive 32

18 Dec 1987

Directives to Merchant Banks

Exempt Merchant Bank Government Securities Dealer

32(1) In this directive:-

"An Exempt Merchant Bank Government Securities dealer" means a merchant bank which carries on or includes as part of its business dealing in Government Securities solely for its own account with an exempt financial institution but not otherwise and is neither a Primary, Registered or Secondary dealer;

"an exempt financial institution" means:-

- (a) a bank licensed under the Banking Act; Cap. 19.
- (b) a finance company licensed under the Finance Companies Act; Cap. 108.
- (c) a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act; Cap. 186.
- (d) the Post Office Savings Bank of Singapore established under the Post Office Savings Bank of Singapore Act; Cap. 237.
- (e) a company or society registered under the Insurance Act; Cap. 142.
- (f) a dealer licensed under the Securities Industry Act; Cap. 289.
- (g) a Primary dealer; and
- (h) a Registered dealer.

32(2) An Exempt Merchant Bank Government Securities dealer may, without approval from the Authority carry on or include as part of its business dealing in Government Securities solely for its own account with an exempt financial institution but not otherwise subject to Directive 32(3) to (5).

32(3) Directive 31 relating to the establishment and maintenance of trust accounts shall, with necessary modifications, apply to an Exempt Merchant Bank Government Securities dealer where it acts, whether expressly or impliedly, as custodian for the securities of the counterparty to a securities transaction and for this purpose:-

- (a) a reference in Directive 31 to a "dealer" shall be construed as a reference to an "Exempt Merchant Bank Government Securities dealer";

(b) a reference therein to a "Secondary dealer" shall be construed as a reference to an "Exempt Merchant Bank Government Securities dealer"; and

(c) a reference therein to a "client" shall be construed as a reference to "the counterparty to the securities transaction"; unless the context otherwise requires.

32(4) An Exempt Merchant Bank Government Securities dealer may only enter into repurchase agreements in the manner specified in Directive 25(6).

32(5) An Exempt Merchant Bank Government Securities dealer shall comply with and observe Directives 24 and 32 herein but not the other abovementioned Directives unless specified in Directive 32 except that nothing herein shall exempt an Exempt Merchant Bank Government Securities dealer from any written law, other Notices to Merchant Banks and Directives to Merchant Banks to which an Exempt Merchant Bank Government Securities dealer is subject to as a merchant bank.