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All Finance Companies in Singapore

Dear Sir/Madam

MAS NOTICE 816 - LENDING OF SINGAPORE DOLLAR TO NON-RESIDENT FINANCIAL INSTITUTIONS

Since 1998, MAS has progressively liberalised our policy on the non-internationalisation of the Singapore Dollar ("S\$") to facilitate the development of Singapore's capital markets. Following the last revision of the policy in March 2002, MAS has recently completed another review of the policy and refined it further. Specifically, non-resident non-financial issuers of S\$ bonds and equities will no longer be required to swap or convert their S\$ proceeds into foreign currencies before remitting abroad. This would allow the issuers greater flexibility in managing their S\$ funds.

2 Over the years, the policy has been distilled to the basic safeguards against borrowing by non-resident financial institutions for speculating in the S\$. The present name of the policy, "Non-Internationalisation of the S\$", has become a misnomer. MAS has therefore decided to rename the policy "Lending of S\$ to Non-Resident Financial Institutions".

3 A copy of the revised [MAS Notice 816](#) and a list of [frequently asked questions](#) about the Notice are enclosed. If you have any enquiries, please direct them to the Monetary Management Division, MAS at telephone number 62299150 or facsimile number 62299491.

Yours faithfully

(Transmitted via MASNET)

MS JACQUELINE LOH

EXECUTIVE DIRECTOR

RESERVE & MONETARY MANAGEMENT DEPARTMENT