

## Guidelines for Operation of Wholesale Banks

(last revised on 26 May 2022)

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1. A wholesale bank may transact any banking business with approved financial institutions.
2. A wholesale bank may transact banking business with persons that are not approved financial institutions, subject to the following restrictions -
  - (a) [Deleted on 27 May 2022]
  - (b) [Deleted on 31 July 2008]
  - (c) it may accept fixed deposits but in respect of Singapore dollar fixed deposits, the initial deposit should not be less than S\$250,000 and the outstanding deposits (including interest) should not be less than this sum at all times except on termination of the account or the withdrawal of all deposits standing to the credit of the depositor; and
  - (d) it may operate savings accounts or current accounts or both, but in respect of any savings or current account denominated in Singapore dollars where the customer is a natural person and a resident in Singapore, and not acting in the capacity of a sole proprietor or a partner of a partnership (other than a limited liability partnership), the savings or current account should not be interest-bearing, except with the prior approval of MAS.

[Amended on 27 May 2022]
3. Subject to paragraph 4, a wholesale bank may issue, in Singapore, bonds and negotiable certificates of deposit, provided that -
  - (a) the bonds or negotiable certificates of deposit are to be denominated in foreign currency; or
  - (b) where the bonds or negotiable certificates of deposit are denominated in Singapore dollars, they should -
    - (i) have an original maturity period of not less than 12 months;
    - (ii) be issued in a denomination of not less than S\$200,000; or
    - (iii) be issued to accredited investors or their nominees.

4. Where paragraph 3(b)(iii) applies, and the bonds or negotiable certificates of deposit are issued in circumstances such that the wholesale bank reasonably expects or foresees that the bonds or negotiable certificates of deposit (as the case may be) will not be held at all times by persons who are accredited investors, the wholesale bank should in any prospectus and any profile statement in respect of its issue or where such documents are not required in respect of its issue, in an information memorandum to be issued, circulated or distributed in respect of its issue, the following additional information -
  - (a) a statement that the wholesale bank, as issuer of the bonds or negotiable certificates of deposit, is subject to restrictions on the acceptance of deposits in Singapore dollars;
  - (b) a statement that the bond or negotiable certificate of deposit does not constitute or evidence a debt repayable by the bank on demand to the holder of the bond or negotiable certificate of deposit (as the case may be);
  - (c) a statement of the terms and conditions under which the holder of the bond or negotiable certificate of deposit may recover the principal sum from the bank as issuer; and
  - (d) a statement that the value of the bond or negotiable certificate of deposit, if sold on the secondary market, is subject to market conditions prevailing at the time of the sale.
5. A wholesale bank should maintain only one place of business in Singapore.
6. In these Guidelines, unless the context otherwise requires or otherwise defined in the Annex, the definitions set out in section 2(1) of the Banking Act 1970 apply.

[Amended on 27 May 2022]

## ANNEX

### LIST OF DEFINITIONS

“accredited investor” has the same meaning as in section 4A(1)(a) of the Securities and Futures Act 2001.

[Amended on 27 May 2022]

An approved financial institution" means –

- (a) a bank or merchant bank;
- (b) a finance company licensed under the Finance Companies Act 1967; or
- (c) an insurer licensed under the Insurance Act 1966.

[Amended on 27 May 2022]

"residents in Singapore" has the same meaning as in MAS Notice 610 Appendix A1.

[Amended on 27 May 2022]