

MAS NOTICE 1110

28 June 2021

NOTICE TO MERCHANT BANKS
BANKING ACT, CAP 19

NEGOTIABLE CERTIFICATES OF DEPOSITS

1. This Notice is issued pursuant to section 55(1) as applied by section 55ZJ(1) of the Banking Act (Cap. 19) ["the Act"] and relates to the issuance and safekeeping of NCDs and bearer securities.

2. This Notice applies to all merchant banks in Singapore ("Merchant Banks") that issue, or act as an authorised depository for, NCDs or bearer securities.

Definitions

3. In this Notice –

"NCD" means negotiable certificate of deposits;

"securities" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 286).

4. The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

5. A Merchant Bank issuing an NCD denominated in a foreign currency must do so in minimum denominations of the foreign currency equivalent of S\$100,000.

Authorised Depositories

6. A Merchant Bank must lodge every NCD and bearer security that it issues with any of the following authorised depository for safekeeping:

(a) a bank in Singapore;

(b) a Merchant Bank in Singapore;

(c) the Depository as defined in section 81SF of the Securities and Futures Act;

(d) a depository under the Euroclear system operated by Euroclear Bank S.A./N.V.;

(e) a depository under the Clearstream system operated by Clearstream International S.A. or its subsidiaries;

(f) any other depository as the Authority may approve.

7. This Notice takes effect on 1 July 2021.