

CONSULTATION PAPER

P013 - 2007
October 2007

Consultation Paper on
MAS Notice 613
and
MAS Notice 758

MAS

Monetary Authority of Singapore

PREFACE / EXECUTIVE SUMMARY

MAS published a consultation paper in 2006 to seek comments on the proposed policy changes to the Liquidity Risk Supervision Framework. A total of 30 respondents provided feedback on the proposed changes.

MAS thanks all respondents for their contributions. We have reviewed the comments received, and where appropriate, incorporated them into the revised framework. Comments of common interest and our responses to them are highlighted in this document.

The revised framework will be implemented via two MAS Notices – MAS Notice 613 on Minimum Liquid Assets and MAS Notice 758 on Minimum Cash Balances.

MAS invites interested parties to provide their views and comments on the draft Notices. Electronic submission is encouraged. Written comments should be submitted to:

Specialist Risk Supervision Department
Monetary Authority of Singapore
10 Shenton Way MAS Building
Singapore 079117
Fax: 6229 9659
Email: liquidity@mas.gov.sg

Please note that all submissions received may be made public unless confidentiality is specifically requested for the whole or part of the submissions.

We would like to request all comments and feedback to be submitted by 26 November 2007. If you have any queries, please contact:

Lim Gim Hoe
Assistant Director (Financial Risk)
Specialist Risk Supervision Department
Tel: 62299900 Email: ghlim@mas.gov.sg

Justina Lew
Deputy Director (Financial Risk)
Specialist Risk Supervision Department
Tel: 62299834 Email: justinalew@mas.gov.sg

TABLE OF CONTENTS

PREFACE / EXECUTIVE SUMMARY	i
TABLE OF CONTENTS.....	ii
1.0 RESPONSE TO FEEDBACK RECEIVED	1
1.1.0 Treatment of Interbank Deposits and Placements	1
MAS' Response	1
1.2.0 Treatment of Undrawn Commitments	1
MAS' Response	2
1.3.0 Issue Size of Eligible Liquid Assets	2
MAS' Response	2
1.4.0 Ratings of Eligible Liquid Assets	2
MAS' Response	2
1.5.0 Valuation of Eligible Liquid Assets	3
MAS' Response	3
1.6.0 Computation and Maintenance Requirements	3
MAS' Response	3
2.0 DRAFT REVISED MAS NOTICE 613 ON MINIMUM LIQUID	
ASSETS AND DRAFT MAS NOTICE 758 ON MINIMUM CASH BALANCES	5
2.1.0 Introduction.....	5
2.2.0 MAS Notice 613	5
2.3.0 MAS Notice 758	5

1.0 RESPONSE TO FEEDBACK RECEIVED

1.0.1 MAS published a consultation paper in 2006 to seek comments on the proposed changes to the Liquidity Risk Supervision Framework. A total of 30 respondents provided feedback on the proposed changes.

1.0.2 MAS thanks all respondents for their contributions. We have reviewed the comments received, and where appropriate, incorporated them into the revised framework. Comments of common interest and our responses to them are highlighted below.

1.1.0 TREATMENT OF INTERBANK DEPOSITS AND PLACEMENTS

1.1.0.1 Several banks commented on the possible reduction in SGD interbank market liquidity arising from the proposal to disallow the deduction of interbank assets for the computation of Qualifying Liabilities ("QL"). Lenders would price in the liquidity reserve cost when lending to other banks, possibly leading to more expensive short-term interbank funding, particularly in the shorter tenors.

MAS' Response

1.1.0.2 Given that only net cumulative SGD interbank liabilities of up to one month would be included in QL, as compared to the current regime which considers total interbank liabilities, the potential increase in reserve costs may not be significant. In addition, borrowers have access to other funding instruments such as FX swap or SGS repo.

1.2.0 TREATMENT OF UNDRAWN COMMITMENTS

1.2.0.1 Several respondents sought clarification on the rationale and scope of including undrawn commitments in QL. Several banks commented that the drawdowns of some of these commitments are subject to the approval of the bank at the point of drawdown, and hence should be excluded from QL.

MAS' Response

1.2.0.2 In determining whether a particular commitment should be included in QL, the guiding principle is to include items that the bank is committed to and which would pose liquidity risk to the bank should the customer utilise or call upon the commitment. Such commitments include the unutilised portion of guarantees, standby letters of credit, warranties, standby credit facilities, forward asset purchases, liquidity facilities granted, credit protection sold and underwriting commitments, etc.

1.2.0.3 We have considered the feedback and will allow a bank to exclude such commitments from QL provided the bank has the contractual unconditional right to refuse drawdown.

1.3.0 ISSUE SIZE OF ELIGIBLE LIQUID ASSETS

1.3.0.1 Some respondents commented that a minimum issue size of S\$200m was a more reasonable limit for Singapore's market.

MAS' Response

1.3.0.2 We accept the suggestion to lower the minimum issue size from S\$250m to S\$200m. The purpose of the minimum issue size is to exclude the very small issues which are not appropriate for liquidity purposes.

1.4.0 RATINGS OF ELIGIBLE LIQUID ASSETS

1.4.0.1 A respondent requested to include SGD debt securities not rated by Moody's, Fitch and S&P as eligible liquid assets. Several respondents also suggested that unrated SGD debt securities issued by Singapore statutory boards be included as eligible liquid assets.

MAS' Response

1.4.0.2 To ensure that banks hold good quality assets for liquidity purposes, only recognise investment grade SGD debt securities rated by Moody's, Fitch and S&P will qualify as eligible liquid assets. MAS may

consider including securities rated by other agencies where appropriate in future. With regard to Singapore statutory board debt securities, we accept the suggestion to include them as eligible liquid assets subject to a 10% valuation haircut.

1.5.0 VALUATION OF ELIGIBLE LIQUID ASSETS

1.5.0.1 Some respondents sought clarification on the valuation methodology for eligible liquid assets, and asked if internal pricing models could be used.

MAS' Response

1.5.0.2 Banks should mark-to-market the debt securities held for liquidity purposes. Where there is an active market, banks should use market prices for valuation. In cases where the market has become inactive, banks may use their internal-validated models in establishing fair values where these can be demonstrated to be prudent and reliable, although we would discourage banks from holding such securities for liquidity purposes.

1.6.0 COMPUTATION AND MAINTENANCE REQUIREMENTS

1.6.0.1 Many respondents commented that the proposed daily computation and maintenance requirements would be operationally challenging.

MAS' Response

1.6.0.2 The daily computation and maintenance requirement will more accurately reflect banks' current liquidity needs, as compared to the existing 2-week computation/ maintenance requirement. However, we acknowledge that the daily requirement could be operationally burdensome especially for small banks or banks with little SGD business. We have therefore made the following changes:

- (a) Banks adopting the daily method will enjoy a lower MLA of 16%;
- and;

(b) Banks remaining on the 2-week computation/maintenance method will maintain MLA of 18%.

1.6.0.3 The proposal above would allow banks which manage liquidity on a more current basis to enjoy the benefits of a lower MLA requirement. At the same time, banks which have operational difficulties with daily maintenance could have the option of remaining on the 2-week computation/maintenance method.

2.0 DRAFT REVISED MAS NOTICE 613 ON MINIMUM LIQUID ASSETS AND DRAFT MAS NOTICE 758 ON MINIMUM CASH BALANCES

2.1.0 INTRODUCTION

2.1.0.1 As the Minimum Liquid Asset (“MLA”) and Minimum Cash Balances (“MCB”) requirements serve different purposes, they will be dealt with in separate Notices. MAS Notice 613 will focus on buffering against liquidity stress while MAS Notice 758 will address the need for banks to maintain adequate cash balances with MAS to facilitate inter-bank settlements.

2.2.0 MAS NOTICE 613

2.2.0.1 Taking into account the feedback received from our earlier consultation, MAS has revised the minimum regulatory liquidity requirements in the Notice. The changes include a revised set of ‘Qualifying Liabilities’ to replace ‘Liabilities Base’, an expanded range of eligible liquid assets, a revised computation formula and maintenance period, and a revised Tier 1 requirement. In addition, to ensure that banks are able to deal with liquidity stress situations on a timely basis, the process for drawing down of liquid reserves has been streamlined.

2.3.0 MAS NOTICE 758

2.3.0.1 The MCB requirement plays an important role in smoothing out interest rate volatility. The 2-week averaging provision in the MCB framework allows banks to spread out their end-of-day shortage or surplus funds. This provides banks with a longer period to square their books, thereby avoiding an end-of-day scrambling for or dumping of funds.

2.3.0.2 The new MAS Notice 758 will spell out the minimum cash balances that banks must maintain on a daily/ fortnightly basis. The quantum of cash balances held will be proportionate to the level of the banks’ Qualifying Liabilities. MAS Notice 704 will be repealed and the requirements therein will be incorporated into MAS Notice 758.

DRAFT REVISED MAS NOTICE 613

MAS 613

[DD MMM YYYY]

**NOTICE TO BANKS
BANKING ACT, CAP 19**

(MAS Notice 613 dated 6 June 2002 is cancelled with effect from [date].)

MINIMUM LIQUID ASSETS

This Notice is issued pursuant to section 38 of the Banking Act (Cap. 19) (“the Act”) and applies to all banks in Singapore.

Definitions

2 In this Notice,

“bills of exchange” has the same meaning as in section 3 of the Bills of Exchange Act (Cap. 23);

“business day” means any calendar day on which a bank carries on business;

“computation day”—

- (a) in relation to a bank subject to paragraph 7, means the business day on which the bank computes the minimum amount of liquid assets that the bank has to maintain on the relevant maintenance day;
- (b) in relation to a bank subject to paragraph 10, means the last business day of the 125-business day observation period for the computation of the standard deviation of 1-week net cumulative SGD cashflow mismatches;

“credit protection” means a guarantee or a credit derivative;

“maintenance day”, in relation to any computation day, means the day occurring two business days from that computation day and includes a day which is not a business day;

“Qualifying Liabilities” means the aggregate of:

- (a) all liabilities of the bank¹ denominated in Singapore dollars (“SGD”) due to non-bank customers, computed on a gross basis;
- (b) all liabilities of the bank denominated in SGD due to the Authority and to other banks within one month from the computation day, computed on a net basis (i.e. after the deduction of all claims denominated in

¹ For avoidance of doubt, this excludes any contingent liability of the bank.

DRAFT

SGD by the bank on the Authority and on the other banks maturing within one month from the computation day), and where this is a net asset, the net asset amount shall not be deducted from Qualifying Liabilities and shall be treated as zero;

- (c) 15% of all undrawn commitments denominated in SGD;
- (d) all liabilities arising from the issue of bills of exchange, other than a bill of exchange which satisfies the requirements set out in Appendix 3,
- (e) all liabilities of the bank arising from the operation of any stored value facility as defined in section 2(1) of the Payment Systems (Oversight) Act 2006,

but does not include—

- (i) any liability of the bank arising from—
 - (A) any funds received through repurchase agreements of Singapore Government Securities;
 - (B) any funds received through foreign exchange swaps;
 - (C) any issue of subordinated debt, the terms of which comply with the criteria for the treatment of the liabilities as capital in the computation of the bank's capital adequacy ratio under section 10 of the Act, whether or not the entire amount of such liabilities is in fact treated in such computation as capital; and
 - (D) any funds raised through the discounting of any bill of exchange which satisfies the requirements set out in Appendix 3, with other banks or finance companies in Singapore; and
- (ii) any prepayment made by a customer of the bank in relation to a bill of exchange or any purchaser of a discounted bill of exchange;

“Singapore Government Securities” means any security or equivalent instrument issued under the Government Securities Act (Cap 121A) and any Treasury bill or equivalent instrument issued under the Local Treasury Bills Act (Cap. 167);

“Tier-1 liquid asset” means –

- (a) notes and coins which are legal tender in Singapore other than assets maintained and held for the purposes of section 40 of the Act;
- (b) balances with the Authority other than cash balances maintained for the purposes of section 39 of the Act and assets maintained and held for the purposes of section 40; or
- (c) the assets listed in paragraphs 4(a) and 4(b) of this Notice;

“undrawn commitment” means any arrangement of a bank with any person (including other branches of the bank) which would pose liquidity risk to the bank in the event the person or a third party in whose favour the arrangement is made, utilises or calls upon the commitment, such as any unutilised portion of a guarantee, any standby letter of credit, any warranty, any standby credit facility, any forward asset purchase, any underwriting arrangements, any credit protection sold by the bank and any liquidity facilities granted by the bank but does not include any arrangement where the drawdown or utilisation is subject to the approval of the bank at the point of drawdown, and the bank has the unconditional right to refuse drawdown.

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

Assets approved as “liquid assets”

4 For the purposes of section 38(9)(c) of the Act, the following assets are approved by the Authority as liquid assets:

- (a) notes and coins which are customary tender in Singapore;
- (b) any Singapore Government Securities (“SGS”) held by a bank which is not pledged, charged or secured as collateral to any third party, and includes any SGS held under a reverse repurchase agreement;
- (c) any debt securities or sukuk denominated in SGD issued by a statutory board in Singapore, with a minimum issue size of SGD 200 million, at 90% of its value;
- (d) any other debt securities or sukuk denominated in SGD, with a minimum issue size of SGD 200 million which satisfies either the long term issue or short term issue credit ratings and at the relevant value set out in Appendix 5;
- (e) any bill of exchange which satisfy the requirements set out in Appendix 4;

provided always that—

- (i) the asset shall be free from any prior encumbrances;
- (ii) where the asset is a debt security, it shall not be a convertible debt security and if the bank holds more than 20% of the total market of a particular issue of debt securities (including issues from different tranches), the bank shall only treat as liquid assets, 50% of the value of those debt securities;
- (iii) the asset does not arise or result from any contractual or other arrangements with, or investments in, a counterparty related to the bank².

² A counterparty related to a bank includes any holding company, subsidiary or associated company of the bank and any subsidiary or associated company of any holding company of the bank.

Valuation of Liquid Assets

6. A bank shall use the marked-to-market value of its liquid assets (other than bills of exchange) when computing the minimum amount of liquid assets to be held by it. Bills of exchange shall be valued at book value.

Bank-General Framework

7 Subject to paragraphs 10 and 12, every bank shall hold, at all times, a minimum of 16% of its Qualifying Liabilities in liquid assets [“general MLA requirement”].

8 On a maintenance day, a bank shall hold the general MLA requirement that was computed on the relevant computation day. Where the maintenance day is not a business day, a bank shall hold for that maintenance day, the general MLA requirement of the immediately preceding maintenance day which is a business day. Appendix 6 sets out the computation and maintenance schedules for a bank determining its general MLA requirement.

Bank-Specific Framework

10 A bank may apply to the Authority for approval to comply with a bank-specific framework (hereinafter called “BS bank”). Upon submitting an application, the bank shall be subject to an assessment by the Authority. When the bank is approved by the Authority to comply with a bank-specific framework, the Authority will assign to the bank a cap (which would be between 10% and 15%) of its Qualifying Liabilities that it would be required to hold [“MLA Cap”]. The Authority may, from time to time, review the MLA Cap of a bank.

11 A BS bank shall compute and hold a minimum amount of liquid assets in accordance with Appendix 1 [“bank-specific MLA requirement”], provided always that it shall hold the minimum amount of liquid assets sufficient to remain within the MLA Cap. Appendix 6 sets out the computation and maintenance schedules for a bank determining its bank-specific MLA requirement.

Bank-Basic Framework

12 A bank which is unable to comply with paragraph 7 or 10, may apply to the Authority for the approval to comply with the framework set out in Appendix 2. Upon submitting an application, the bank shall be subject to an assessment by the Authority. The Authority may grant the approval, subject to terms and conditions that the Authority may specify.

Minimum Amount of Tier 1 assets

13 Every bank shall hold, at all times, at least 50% of its liquid assets held for the purposes of section 38 (“MLA”) in Tier-1 liquid assets.

Utilisation of liquid assets

14 A bank shall notify the Authority in writing of its intent to utilise its MLA in a liquidity stress situation prior to the utilisation. The bank shall ensure that the notification is signed by its chief executive, chief financial officer or any equivalent senior management.

15 A bank shall—

- (a) provide its justification for the utilisation of MLA;
- (b) set out the cause of the liquidity stress situation and to provide supporting documents, where available; and
- (c) detail the steps which it has taken and is going to take to resolve the liquidity stress situation,

to the Authority within one business day after the utilisation of its liquid assets.

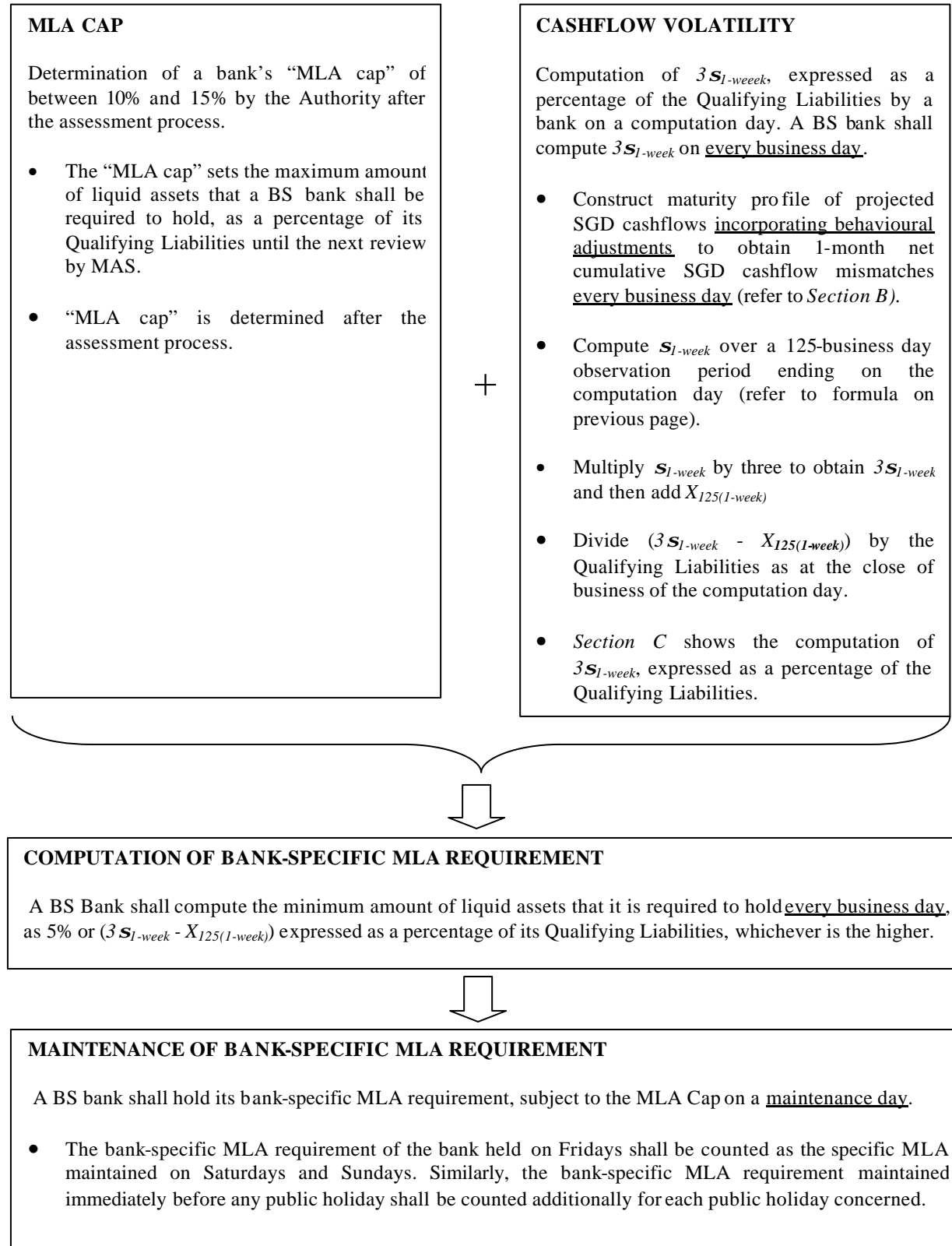
16 A bank shall also keep the Authority informed of material developments during the liquidity stress situation.

17 This Notice shall take [immediate effect] or [on date]

Bank-Specific Framework

Section A

Bank-Specific MLA Requirement Computation and Maintenance Procedures



Section B

Construction of Maturity Profile of Singapore Dollar Denominated Cashflows Incorporating Behavioural Adjustments

1 A maturity profile captures the inflows and outflows of a BS bank arising from its business activities and determines its net funding requirements over time. When constructing a maturity profile, a BS bank shall allocate all cash flows arising from all business activities (including off-balance sheet transactions) into a series of time bands on a “maturity ladder” according to their residual maturities. A net cash flow mismatch figure is obtained by subtracting outflows from inflows in each time band. A net cumulative cash flow mismatch figure is then derived by accumulating the net cash flow mismatches in each successive time band. As a result, the prospective funding gaps in each period are identified. The BS bank may use these gaps to monitor and manage its funding liquidity needs.

2 To compute its bank-specific MLA requirement under the Cashflow Volatility methodology, a BS bank constructing its own maturity profile shall adhere to the following:

(a) Daily Basis;

A BS bank shall construct the maturity profile every business day;

(b) Time Bands;

When constructing the maturity profile, a BS bank shall profile the maturity of its cashflows by day for the next seven calendar days. The first time band of a maturity profile shall be “on demand” which comprises cash flows available or maturing on the next calendar day after the reporting date;

(c) Incorporation of Behavioural Adjustments;

A BS bank shall adjust its SGD denominated cash flows on a behavioural basis, as the contractual maturities pertaining to some assets and liabilities do not bear close relation to their actual behavioural characteristics. Some examples are saving deposits and overdrafts. The BS bank shall provide empirical evidence to support the assumptions it uses. No BS bank may make behavioural assumptions without the prior written approval of the Authority;

(d) Incorporation of All SGD Denominated Cash Flows ;

A BS bank shall profile all SGD denominated cash flows arising from its business activities which are captured in its banking and trading books;

(e). Granularity;

A BS bank shall construct its maturity profiles with the appropriate granularity, for example, a breakdown of its retail deposits by types;

Section C

Computation of $3s_{1-week}$, Expressed As Percentage of Qualifying Liabilities

Daily Projection of SGD Cashflows

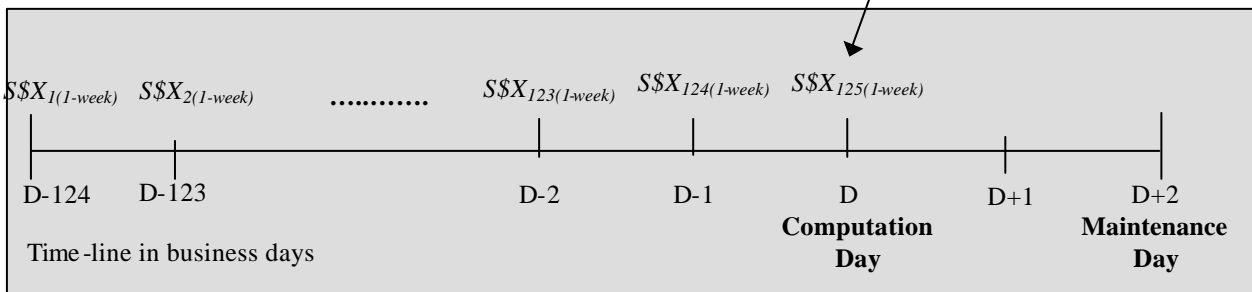
Maturity Profile of Cashflows for Business Activities Transacted in SGD				
<i>(Condensed version of a maturity profile with no detailed breakdown of the accounts)</i>				
Date	Total Inflows	Total Outflows	Net Cash Flow Mismatch	Net Cumulative Cash Flow Mismatches
	(1)	(2)	(1) – (2)	
D+1 cal day	CIF ₁	COF ₁	NCF ₁	NCCF ₁
D+2 cal days	CIF ₂	COF ₂	NCF ₂	NCCF ₂
...
...
D+6 cal days	CIF ₆	COF ₆	NCF ₆	NCCF ₆
D+7 cal days	CIF ₇	COF ₇	NCF ₇	NCCF ₇
				= $X_{125(1-week)}$

Reporting Currency : SGD
Reporting Date : Computation Day, D

Reporting Currency : SGD
Reporting Date : D - (125 - i)

NCCF₇
= $X_{i(1-week)}$

Historical Data needed for the computation of $3s_{1-week}$



1 Compute s_{1-week} ³ using the formula:

$$s_{1-week} = \left\{ \sum_{i=1}^n (X_{i(1-week)} - \mu_{1week})^2 / (n-1) \right\}^{1/2}$$

Where

$X_{i(1-week)}$ = 1-week net cumulative SGD cash flow mismatches on the (125-i)th business day before the computation day D

($X_{1(1-week)}$ is the 1-week net cumulative SGD cashflow mismatches and 124 business days before the computation day. $X_{2(1week)}$ is the 1-week net cumulative SGD cashflow mismatches and 123 business days before the computation day and so forth. $X_{125(1mth)}$ is the 1-week net

³ s_{1-week} is the standard deviation of a BS bank's 1-week (7-calendar day) net cumulative cash flow mismatches, for all Singapore Dollar denominated cash flow ("1-week net cumulative SGD cash flow mismatches").

DRAFT

cumulative SGD cashflow mismatches on the computation day.)

μ_{1-week} = mean of 1-week net cumulative SGD cashflow mismatches over the observation period, or

$$\sum_{i=1}^n X_i(1mth) / n$$

n = 125 (the observation period is 125 business days)

2 MLA using the cashflow volatility methodology is equal to:

$$\{(3 \times s_{1-week}) - X_{125(1-week)}\} / \text{Qualifying Liabilities}^4$$

Note:

- (a) D+j cal day(s) is the *j*th calendar day after the computation day, D.
- (b) CIF_{*j*} is the total projected cash inflows on the *j*th calendar day after the computation day, D.
- (c) COF_{*j*} is the total projected cash outflows on the *j*th calendar day after the computation day, D.
- (d) NCF_{*j*} is the total projected net cash flow mismatches on the *j*th calendar day after the computation day, D. NCF_{*j*} = CIF_{*j*} - COF_{*j*}
- (e) NCCF_{*j*} is the net cumulative cash flow mismatches on the *j*th calendar day after the computation day, D.
$$NCCF_j = \sum_{k=1}^j NCF_k$$
- (f) D-(125-*i*) is the (125-*i*)th business day before the computation day, D.
- (g) *j* and *k* are integers between 1 and 7.
- (h) *i* is an integer between 1 and 125.

⁴ Qualifying Liabilities as at close of business of the computation day, D.

Bank-Basic Framework

1 A bank in Singapore which falls under paragraph 12 of this Notice, shall hold a minimum amount of liquid assets of at least 18% of the average of the daily Qualifying Liabilities of the bank in Singapore during a computation period, for a fortnight beginning on the third Thursday following the end of the computation period (referred to as the maintenance period).

2 For the purposes of this Notice, a bank shall take its first maintenance period as the period from [DD MMM YYYY] to [DD MMM YYYY]. The bank shall take its corresponding computation period for the average of the daily Qualifying Liabilities as the period from [DD MMM YYYY] to [DD MMM YYYY].]

Exclusion as Qualifying Liabilities

- 1 Subject to paragraph 2, a bank may exclude a bill of exchange as its Qualifying Liabilities if —
- (a) the bill of exchange is denominated in SGD. Where the underlying transaction referred to the bill of exchange is denominated in a foreign currency, the bill shall be substituted for the first time into a Singapore dollar usance bill;
 - (b) the bill of exchange relates to a trade transaction and reference to such a transaction shall appear on the face of the bill. The trade transaction shall be in respect of imports into or exports from, Singapore and includes trade transactions between foreign exporters and foreign importers arranged by companies in Singapore. The first discounting bank shall ascertain that the bill of exchange is in fact related to trade transactions by examining the appropriate documents and obtaining written declarations from their customers that they have not sought or obtained other means of financing; and
 - (c) the outstanding period to maturity of the bill of exchange is 3 months or less.
- 2 A bank shall not exclude the following bills of exchange from its Qualifying Liabilities:
- (a) any bill which originates from a "switch transaction" where the transaction is solely between a foreign exporter and a foreign importer and the foreign currency trade bill is "switched" into a Singapore dollar bill and financed here;
 - (b) any bill which is a bill drawn for a trade transaction in Singapore where all parties are in Singapore ;
 - (c) any bill which is a bill relating to services ;
 - (d) any bill which relates to a trade transactions where payment has been made, i.e. where the supporting invoice has been paid by the customer prior to presentation of the bill to a bank for discounting;
 - (e) any bill which is overdue or been extended beyond the maturity date and a new bill has been drawn to substitute or roll-over the matured bill, regardless of whether the original bill had 3 months or less to maturity at the time it was discounted by the bank;
 - (f) any bill which is drawn for imports where the importer is also receiving credit from the seller for the same period, as the imports would effectively be financed by the seller and not from proceeds of the bill.

Qualification as Approved Liquid Assets

1 Subject to paragraph 2, a bank which purchases a bill of exchange denominated in SGD from another bank in Singapore may include such a bill as liquid assets if —

- (a) the bill has been endorsed by one or more banks in Singapore;
- (b) the purchasing bank obtained a written confirmation from the first discounting bank that —
 - (i) the first discounting bank had taken necessary and sufficient steps to ascertain that the bills are in fact related to trade transactions as evidenced on the bills;
 - (ii) the bill does not originate from a "switch transaction" where the transaction is solely between a foreign exporter and a foreign importer and the foreign currency trade bill is "switched" into a Singapore dollar bill and financed here;
 - (iii) the bill is not drawn for a trade transaction in Singapore where all parties are in Singapore;
 - (iv) the bill does not relate to services;
 - (v) the bill does not relate to a trade transactions where payment has been made, i.e. where the supporting invoice has been paid by the customer prior to presentation of the bill to a bank for discounting;
 - (vi) the bill has not become overdue or been extended beyond the maturity date and no new bill has been drawn to substitute or roll-over the matured bill, regardless of whether the original bill had 3 months or less to maturity at the time it was discounted by the bank.;
 - (vii) the bill is not drawn for imports where the importer is also receiving credit from the seller for the same period (as the imports would effectively be financed by the seller and not from proceeds of the bills); and
- (c) the outstanding period to maturity of the bill shall be 3 months or less. A bill originally drawn for more than 3 months shall only be eligible as liquid asset when there is 3 months or less to maturity.

Credit Ratings and Relevant Values

Description	Moody's	S&P	Fitch	Percentage
Long Term Issue Ratings	Aaa	AAA	AAA	90%
	Aa1	AA+	AA+	
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	80%
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	70%
	Baa2	BBB	BBB	

Description	Moody's	S&P	Fitch	Percentage
Short Term Issue Ratings	P-1	A-1	F1	90%
	P-2	A-2	F2	80%
	P-3	A-3	F3	70%

If more than one rating is available, a bank shall use the lowest rating. Where a particular debt issue is assigned both long term and short term ratings, a bank shall apply the lower percentage.

Schedules for Computation and Maintenance of Bank-Specific and Bank-General MLA Requirements

For a 5-day business week

Computation Day	Maintenance Day
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday, Saturday and Sunday
Thursday	next Monday
Friday	next Tuesday
next Monday	next Wednesday
next Tuesday	next Thursday
...

Example 1: If Thursday is a public holiday

Computation Day	Maintenance Day
Monday	Wednesday and Thursday
Tuesday	Friday, Saturday and Sunday
Wednesday	next Monday
Friday	next Tuesday
next Monday	next Wednesday
next Tuesday	next Thursday
...

Example 2: If Friday is a public holiday

Computation Day	Maintenance Day
Monday	Wednesday
Tuesday	Thursday, Friday, Saturday and Sunday
Wednesday	next Monday
Thursday	next Tuesday
next Monday	next Wednesday
next Tuesday	next Thursday
...

Example 3: If next Monday is a public holiday

Computation Day	Maintenance Day
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday, Saturday, Sunday and next Monday
Thursday	next Tuesday
Friday	next Wednesday
next Tuesday	next Thursday
next Wednesday	next Friday
...

Example 4: If next Tuesday is a public holiday

Computation Day	Maintenance Day
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday, Saturday and Sunday
Thursday	next Monday and Tuesday
Friday	next Wednesday
next Monday	next Thursday
next Wednesday	next Friday
...

Example 5: If next Wednesday is a public holiday

Computation Day	Maintenance Day
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday, Saturday and Sunday
Thursday	next Monday
Friday	next Tuesday and Wednesday
next Monday	next Thursday
next Tuesday	next Friday, Saturday and Sunday
next Thursday	Monday, a fortnight later
...

DRAFT REVISED MAS NOTICE 613 RETURNS

FOR BANKS IN THE BANK-BASIC FRAMEWORK

S\$'000

Qualifying Liabilities for the period	<input type="text"/> to <input type="text"/>	<input type="text"/>
	(Computation Period)	
Qualifying Liabilities for the period	<input type="text"/> to <input type="text"/>	<input type="text"/>
	(Computation Period)	
Qualifying Liabilities for the period	<input type="text"/> to <input type="text"/>	<input type="text"/>
	(Computation Period)	

Notes for completion

1. Banks shall submit the relevant figures for all relevant computation periods in the month.

FOR BANKS IN THE BANK-GENERAL FRAMEWORK

Maintenance Day	Applicable Qualifying Liabilities S\$'000 (1)	Actual MLA % (2)
07/01/2008		
07/02/2008		
07/03/2008		
07/04/2008		
07/05/2008		
07/06/2008		
07/07/2008		
07/08/2008		
07/09/2008		
07/10/2008		
07/11/2008		
07/12/2008		
07/13/2008		
07/14/2008		
07/15/2008		
07/16/2008		
07/17/2008		
07/18/2008		
07/19/2008		
07/20/2008		
07/21/2008		
07/22/2008		
07/23/2008		
07/24/2008		
07/25/2008		
07/26/2008		
07/27/2008		
07/28/2008		
07/29/2008		
07/30/2008		
07/31/2008		

Notes for completion

1. Banks shall report column (1) as at the close of business of the corresponding computation day. For example, if the maintenance day is 31/7/2008, the applicable Qualifying Liabilities reported under column (1) shall be as at the close of 29/7/2008 (corresponding computation day).
2. Column (2) is the actual level of MLA, expressed as a percentage of column (1), as at maintenance day.

FOR BANKS IN THE BANK-SPECIFIC FRAMEWORK

Maintenance Day	Applicable Qualifying Liabilities S\$'000 (1)	MLA (Cashflow Volatility) % (2)	MLA Requirement % (3)	Actual MLA % (4)
07/01/2008				
07/02/2008				
07/03/2008				
07/04/2008				
07/05/2008				
07/06/2008				
07/07/2008				
07/08/2008				
07/09/2008				
07/10/2008				
07/11/2008				
07/12/2008				
07/13/2008				
07/14/2008				
07/15/2008				
07/16/2008				
07/17/2008				
07/18/2008				
07/19/2008				
07/20/2008				
07/21/2008				
07/22/2008				
07/23/2008				
07/24/2008				
07/25/2008				
07/26/2008				
07/27/2008				
07/28/2008				
07/29/2008				
07/30/2008				
07/31/2008				

Notes for completion

1. Banks shall report column (1) as at the close of business of the corresponding computation day. For example, if the maintenance day is 31/7/2008, the applicable Qualifying Liabilities reported under column (1) shall be as at the close of 29/7/2008 (corresponding computation day).
2. Column (2) is obtained by computing $3s_{1-\text{week}} - X_{125(1-\text{week})}$, expressed as a percentage of column (1).
3. Column (3) is the lower of "MLA Cap" and column (2), subject to a minimum of 5%.
4. Column (4) is the actual level of MLA, expressed as a percentage of column (1), as at maintenance day.

FOR ALL BANKS
COMPUTATION OF QUALIFYING LIABILITIES as at (Month End/Year)

	<u>S\$'000</u>	<u>S\$'000</u>
(a) all liabilities of the bank denominated in SGD due to non-bank customers		<input type="text"/>
(b) all liabilities of the bank denominated in SGD due to the Authority and to other banks <u>within one month from the computation day</u>	<input type="text"/>	
<u>LESS</u> all claims denominated in SGD by the bank on the Authority and on the other banks maturing <u>within one month from the computation day</u>	<input type="text"/>	<input type="text"/> (See Note 1)
(c) 15% of all undrawn commitments denominated in SGD		<input type="text"/>
(d) all liabilities arising from the issue of bills of exchange, other than a bill of exchange which satisfies the requirements set out in Appendix 3		<input type="text"/>
(e) all liabilities of the bank arising from the operation of any stored value facility as defined in section 2(1) of the Payment Systems (Oversight) Act 2006		<input type="text"/>
QUALIFYING LIABILITIES		<input type="text"/>

Notes for completion

- 1 If this is a net asset, the net asset amount shall not be deducted from Qualifying Liabilities and shall be treated as zero.

FOR ALL BANKS

LIQUID ASSETS (as at (Month End/Year))	<u>S\$'000</u> (Gross)	<u>% Applied</u>	<u>S\$'000</u> (Net)	<u>Total as %</u> <u>of QL</u>
Tier 1				
1 Balance with Monetary Authority of Singapore		100%		
2 Notes and coins		100%		
3 Singapore Government securities (including Singapore Government Treasury Bills) excluding those sold under "repurchase" agreements (repos) or pledged to 3rd parties		100%		
4 Singapore Government securities (including Singapore Government Treasury Bills) held under reverse repos		100%		
Tier 1 Subtotal				
Tier 2				
5 Bills of exchange in S\$, accepted or endorsed by banks in Singapore, which arise from genuine trade transactions and are payable within 3 months		100%		
6 Debt Securities/ Sukuk in S\$ (issued by statutory boards in Singapore)		90%		
7 Debt Securities/ Sukuk in S\$ (issued by other sovereigns, statutory boards or supranationals)				
- Aa3 to Aaa / AA- to AAA		90%		
- A3 to A1 / A- to A+		80%		
- Baa2 to Baa1 / BBB to BBB+		70%		
- P-1 / A-1 / F1		90%		
- P-2 / A-2 / F2		80%		
- P-3 / A-3 / F3		70%		
8 Debt Securities/ Sukuk in S\$ (issued by banks)				
- Aa3 to Aaa / AA- to AAA		90%		
- A3 to A1 / A- to A+		80%		
- Baa2 to Baa1 / BBB to BBB+		70%		
- P-1 / A-1 / F1		90%		
- P-2 / A-2 / F2		80%		
- P-3 / A-3 / F3		70%		
9 Debt Securities/ Sukuk in S\$ (issued by other corporates)				
- Aa3 to Aaa / AA- to AAA		90%		
- A3 to A1 / A- to A+		80%		
- Baa2 to Baa1 / BBB to BBB+		70%		
- P-1 / A-1 / F1		90%		
- P-2 / A-2 / F2		80%		
- P-3 / A-3 / F3		70%		
Tier 2 Subtotal				
Total Liquid Assets				

FOR ALL BANKS**TOP 20 INDIVIDUAL DEPOSITORS as at (Month End/Year)**

Position	Related to Reporting Bank (Yes/No)	Amount in S\$ Equivalent (\$'000)	% of Total Liabilities
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Notes for completion

1. Banks shall submit to the Authority details of its top 20 individual depositors in both the Domestic Banking Unit and the Asian Currency Unit for transactions denominated in all types of currencies. No names of customers are required to be submitted to the Authority in this return.
2. Amount shall be shown on a gross basis.
3. Amount in the original currency shall be converted into Singapore dollar equivalent using the Currency Conversion Rates for Asian Currency Unit Statistical Returns.
4. Deposits of individuals engaged in a common enterprise whether in the form of a partnership, joint venture or other association are not required to be considered as a single depositor group.
5. Deposits placed by an individual and any of his associates are not required to be aggregated. Deposits of company directors are not required to be aggregated with deposits placed by companies where they hold the position of directors on the companies' board.

FOR ALL BANKS**TOP 20 CORPORATE DEPOSITORS (EXCLUDING INTERBANK LENDERS) as at (Month End/Year)**

Position	Related to Reporting Bank (Yes/No)	Amount in S\$ Equivalent (\$'000)	% of Total Liabilities
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Notes for completion

1. Banks shall submit to the Authority details of its top 20 corporate depositors in both the Domestic Banking Unit and the Asian Currency Unit for transactions denominated in all types of currencies. Banks are required to group depositors who are related into the same customer group. No names of customers are required to be submitted to the Authority in this return.
2. Amount shall be shown on a gross basis.
3. Amount in the original currency shall be converted into Singapore dollar equivalent using the Currency Conversion Rates for Asian Currency Unit Statistical Returns.
4. The deposits of a parent company shall be aggregated with deposits of all subsidiary companies and other companies over which it has control or influence and companies deemed to be related to the parent company. Subsidiary companies and companies deemed to be related are defined in Sections 5, 5A, 5B and 6 of the Companies Act (Cap. 50). Control or influence over a company exist when there is ownership or power to control 20% or more of the voting shares of the company or when there is power to determine the composition of the board of directors of the company or when there is power to exercise controlling influence over management and policies of the company. This applies to any secondary level group below the ultimate parent.
5. The deposits of joint ventures with 50% shareholding by its parent companies are not required to be aggregated with their respective parent companies.
6. Deposits placed by every member of a partnership are not required to be aggregated with the deposits extended to the partnership. Deposits of a limited partner are also not required to be aggregated.
7. Deposits of persons engaged in a common enterprise whether in the form of a partnership, joint venture or other association are not required to be considered as a single depositor group.
8. Deposits placed by an individual and any of his associates are not required to be aggregated. Individual deposits of company directors are not required to be aggregated with deposits placed by companies where they hold the position of directors on the companies' board.
9. Deposits placed by the Singapore government and statutory boards are to be aggregated. Singapore government-linked companies are to be treated in accordance with the guidelines prescribed for companies in note 4 above.

FOR ALL BANKS**TOP 20 INTERBANK LENDERS as at (Month End/Year)**

Position	Name of Bank	Amount in S\$ Equivalent (\$'000)	% of Total Liabilities
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Notes for completion

1. Banks shall submit to the Authority details of its top 20 interbank lenders in both the Domestic Banking Unit and the Asian Currency Unit for transactions denominated in all types of currencies.
2. Amount shall be shown on a gross basis.
3. Amount in the original currency shall be converted into Singapore dollar equivalent using the Currency Conversion Rates for Asian Currency Unit Statistical Returns.
4. The deposits from a lender bank are not required to be aggregated with deposits from all subsidiary banks or financial institutions, or financial institutions over which the lender bank has control or influence or are deemed to be related.

FOR ALL BANKS - TO BE REPORTED FOR SGD AND TWO MOST SIGNIFICANT FOREIGN CURRENCIES
MATURITY ANALYSIS OF CASHFLOW as of Month End/Year (CONTRACTUAL BASIS: RESIDUAL MATURITY)
[Indicate Currency] (in THOUSANDS)

Cashflows of assets	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Singapore notes and coins										
Balance with MAS										
Amounts due from banks (excluding intra-group)										
- interbank placements										
- nostro (debit balances)										
Intra-group balances										
- placements										
- nostro (debit balances)										
Securities of										
- the Government of Singapore										
- Statutory Boards in Singapore										
- Other Sovereigns and Statutory Boards										
- Other Banks										
- Other Corporates										
Reverse repurchase agreement										
Other securities (include certificates of deposits)										
Equity investments										
Bills discounted or purchased										
Loans and advances to non-bank customers										
- to Singapore Government and Statutory Boards										
- to Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- to Individual Customers										
Fixed assets										
Other assets										
Total cashflows of assets (A)										

Cashflows of liabilities and shareholders' equity	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Demand deposits/current accounts/savings accounts										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Fixed deposits										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Other Deposits										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Repurchase agreement										
Debt securities issued (include certificates of deposits)										
Amount due to banks (excluding intra-group)										
- interbank takings										
- nostro (credit balances)										
Intra-group balances										
- takings										
- nostro (credit balances)										
Bills payable										
Other liabilities										
Paid-up capital										
Reserves										
Balance of profit and loss account										
Subordinated debt										
Perpetual cumulative preference shares										
Total cashflows of liabilities and shareholders' equity (B)										
Net cashflows of on-balance sheet items (C)										
(C) = (A) + (B)										

Cashflows of off-balance sheet items	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Inflows										
Interest rate derivatives										
Foreign exchange derivatives										
Equity derivatives										
Credit derivatives										
Other derivative transactions										
Forward asset sales										
Other off-balance sheet items										
Total inflows (D)										
Outflows										
Interest rate derivatives										
Foreign exchange derivatives										
Equity derivatives										
Credit derivatives										
Other derivative transactions										
Guarantees, warranties and indemnities										
Endorsements and other obligations										
Bills for collection										
Unutilised commitments and undisbursed credit facilities										
Forward asset purchase										
Underwriting commitments										
Other off-balance sheet items										
Total (outflows) (E)										
Net cashflows of off-balance sheet items (F) (F) = (D) + (E)										
Consolidated cashflows of on-balance sheet and off-balance sheet items	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Total net inflows/(outflows) (G) (G) = (C) + (F)		<i>a</i>	<i>b</i>	<i>c</i>						
Total net cumulative inflows/(outflows)		<i>a</i>	<i>a+b</i>	<i>a+b+c</i>						

Notes for completion

1. The maturity analysis incorporates cashflows from both the banking and trading books.
2. Items shall be reported on a cashflow basis, including both interest and principal amounts, together with other income relating to them.
3. Where the amounts of cashflows are not material in relation to the total cashflows, the bank may agree, in consultation with the Authority, to a relaxation of the reporting requirements. The bank shall agree in advance with the Authority which flows will not be considered 'material' for the purposes of liquidity reporting. Any such arrangements shall be included in the bank's liquidity policy.
4. For products with multiple maturity dates, cash inflows shall be assumed to occur at their latest residual contractual maturity, while cash outflows shall be assumed to occur at their earliest residual contractual maturity.
5. All claims and liabilities shall be reported gross. Reporting banks shall not net (or offset) claims on counterparties or groups of counterparties against debts owed to those counterparties or groups of counterparties, even where a legal right of set off exists.
6. Inflows should be shown as "positive" and outflows "negative".

FOR BANKS IN THE BANK-SPECIFIC FRAMEWORK - TO BE REPORTED FOR SGD AND TWO MOST SIGNIFICANT FOREIGN CURRENCIES
MATURITY ANALYSIS OF CASHFLOW as of Month End/Year (BEHAVIOURAL BASIS)
[Indicate Currency] (in THOUSANDS)

Cashflows of assets	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Singapore notes and coins										
Balance with MAS										
Amounts due from banks (excluding intra-group)										
- interbank placements										
- nostro (debit balances)										
Intra-group balances										
- placements										
- nostro (debit balances)										
Securities of										
- the Government of Singapore										
- Statutory Boards in Singapore										
- Other Sovereigns and Statutory Boards										
- Other Banks										
- Other Corporates										
Reverse repurchase agreement										
Other securities (include certificates of deposits)										
Equity investments										
Bills discounted or purchased										
Loans and advances to non-bank customers										
- to Singapore Government and Statutory Boards										
- to Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- to Individual Customers										
Fixed assets										
Other assets										
Total cashflows of assets (A)										

Cashflows of liabilities and shareholders' equity	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Demand deposits/current accounts/savings accounts										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Fixed deposits										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Other Deposits										
- of Singapore Government and Statutory Boards										
- of Other Sovereigns and Statutory Boards										
- of Non-bank Financial Institutions										
- of Other Corporate Customers										
- of Individual Customers										
Repurchase agreement										
Debt securities issued (include certificates of deposits)										
Amount due to banks (excluding intra-group)										
- interbank takings										
- nostro (credit balances)										
Intra-group balances										
- takings										
- nostro (credit balances)										
Bills payable										
Other liabilities										
Paid-up capital										
Reserves										
Balance of profit and loss account										
Subordinated debt										
Perpetual cumulative preference shares										
Total cashflows of liabilities and shareholders' equity (B)										
Net cashflows of on-balance sheet items (C)										
(C) = (A) + (B)										

Cashflows of off-balance sheet items	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Inflows										
Interest rate derivatives										
Foreign exchange derivatives										
Equity derivatives										
Credit derivatives										
Other derivative transactions										
Forward asset sales										
Other off-balance sheet items										
Total inflows (D)										
Outflows										
Interest rate derivatives										
Foreign exchange derivatives										
Equity derivatives										
Credit derivatives										
Other derivative transactions										
Guarantees, warranties and indemnities										
Endorsements and other obligations										
Bills for collection										
Unutilised commitments and undisbursed credit facilities										
Forward asset purchase										
Underwriting commitments										
Other off-balance sheet items										
Total (outflows) (E)										
Net cashflows of off-balance sheet items (F) (F) = (D) + (E)										
Consolidated cashflows of on-balance sheet and off-balance sheet items	Total	first 7 days	over 7 days to 1 mth	over 1 mth to 3 mths	over 3 mths to 6 mths	over 6 mths to 1 yr	over 1 yr to 3 yrs	over 3 yrs to 5 yrs	over 5 yrs	Unallocated
Total net inflows/(outflows) (G) (G) = (C) + (F)		<i>a</i>	<i>b</i>	<i>c</i>						
Total net cumulative inflows/(outflows)		<i>a</i>	<i>a+b</i>	<i>a+b+c</i>						

Notes for completion

1. Banks in the bank-specific framework shall report cashflows after adjustment for the behavioural patterns they expect to occur.
2. Where a reporting bank considers an adjustment is appropriate, it shall approach the Authority which will consider the proposed adjustments on an individual bank basis.
3. Banks shall provide empirical evidence to support the adjustments they propose. The empirical data shall be run over an appropriate period of time.
4. Banks shall review the behavioural assumptions periodically to ensure that these are still valid.
5. No bank may make behavioural assumptions without the prior written agreement of the Authority.
6. The maturity analysis incorporates cashflows from both the banking and trading books.
7. Items shall be reported on a cashflow basis, including both interest and principal amounts, together with other income relating to them.
8. Where the amounts of cashflows are not material in relation to the total cashflows, the bank may agree, in consultation with the Authority, to a relaxation of the reporting requirements. The bank shall agree in advance with the Authority which flows will not be considered 'material' for the purposes of liquidity reporting. Any such arrangements shall be included in the bank's liquidity policy.
9. All claims and liabilities shall be reported gross. Reporting banks shall not net (or offset) claims on counterparties or groups of counterparties against debts owed to those counterparties or groups of counterparties, even where a legal right of set off exists.
10. Inflows shall be shown as "positive" and outflows "negative".

FOR BANKS IN THE BANK-SPECIFIC FRAMEWORK - - TO BE REPORTED FOR SGD AND TWO MOST SIGNIFICANT FOREIGN CURRENCIES
DAILY CASHFLOW ANALYSIS as of Month End/Year (CONTRACTUAL BASIS: RESIDUAL MATURITY)
[Indicate Currency] (in THOUSANDS)

Example: Reporting as at 31 July 2008

Cashflows of assets	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Singapore notes and coins								
Balance with MAS								
Amounts due from banks (excluding intra-group)								
- interbank placements								
- nostro (debit balances)								
Intra-group balances								
- placements								
- nostro (debit balances)								
Securities of								
- the Government of Singapore								
- Statutory Boards in Singapore								
- Other Sovereigns and Statutory Boards								
- Other Banks								
- Other Corporates								
Reverse repurchase agreement								
Other securities (include certificates of deposits)								
Equity investments								
Bills discounted or purchased								
Loans and advances to non-bank customers								
- to Singapore Government and Statutory Boards								
- to Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- to Individual Customers								
Fixed assets								
Other assets								
Total cashflows of assets (A)								

Cashflows of liabilities and shareholders' equity	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Demand deposits/current accounts/savings accounts								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Fixed deposits								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Other Deposits								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Repurchase agreement								
Debt securities issued (include certificates of deposits)								
Amount due to banks (excluding intra-group)								
- interbank takings								
- nostro (credit balances)								
Intra-group balances								
- takings								
- nostro (credit balances)								
Bills payable								
Other liabilities								
Paid-up capital								
Reserves								
Balance of profit and loss account								
Subordinated debt								
Perpetual cumulative preference shares								
Total cashflows of liabilities and shareholders' equity (B)								
Net cashflows of on-balance sheet items (C)								
(C) = (A) + (B)								

Cashflows of off-balance sheet items	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Inflows								
Interest rate derivatives								
Foreign exchange derivatives								
Equity derivatives								
Credit derivatives								
Other derivative transactions								
Forward asset sales								
Other off-balance sheet items								
Total inflows (D)								
Outflows								
Interest rate derivatives								
Foreign exchange derivatives								
Equity derivatives								
Credit derivatives								
Other derivative transactions								
Guarantees, warranties and indemnities								
Endorsements and other obligations								
Bills for collection								
Unutilised commitments and undisbursed credit facilities								
Forward asset purchase								
Underwriting commitments								
Other off-balance sheet items								
Total (outflows) (E)								
Net cashflows of off-balance sheet items (F) (F) = (D) + (E)								
Consolidated cashflows of on-balance sheet and off-balance sheet items	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Total net inflows/(outflows) (G) (G) = (C) + (F)								
Total net cumulative inflows/(outflows)								

Notes for completion

1. The maturity of the cashflows shall be profiled by day for the next thirty calendar days.
2. The daily cashflow analysis incorporates cashflows from both the banking and trading books.
3. Items shall be reported on a cashflow basis, including both interest and principal amounts, together with other income relating to them.
4. Where the amounts of cashflows are not material in relation to the total cashflows, the bank may agree, in consultation with the Authority, to a relaxation of the reporting requirements. The bank shall agree in advance with the Authority which flows will not be considered 'material' for the purposes of liquidity reporting. Any such arrangements shall be included in the bank's liquidity policy.
5. For products with multiple maturity dates, cash inflows shall be assumed to occur at their latest residual contractual maturity, while cash outflows shall be assumed to occur at their earliest residual contractual maturity.
6. All claims and liabilities shall be reported gross. Reporting banks shall not net (or offset) claims on counterparties or groups of counterparties against debts owed to those counterparties or groups of counterparties, even where a legal right of set off exists.
7. Inflows shall be shown as "positive" and outflows "negative".

FOR BANKS IN THE BANK-SPECIFIC FRAMEWORK - - TO BE REPORTED FOR SGD AND TWO MOST SIGNIFICANT FOREIGN CURRENCIES
DAILY CASHFLOW ANALYSIS as of Month End/Year (BEHAVIOURAL BASIS)
[Indicate Currency] (in THOUSANDS)

Example: Reporting as at 31 July 2008

Cashflows of assets	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Singapore notes and coins								
Balance with MAS								
Amounts due from banks (excluding intra-group)								
- interbank placements								
- nostro (debit balances)								
Intra-group balances								
- placements								
- nostro (debit balances)								
Securities of								
- the Government of Singapore								
- Statutory Boards in Singapore								
- Other Sovereigns and Statutory Boards								
- Other Banks								
- Other Corporates								
Reverse repurchase agreement								
Other securities (include certificates of deposits)								
Equity investments								
Bills discounted or purchased								
Loans and advances to non-bank customers								
- to Singapore Government and Statutory Boards								
- to Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- to Individual Customers								
Fixed assets								
Other assets								
Total cashflows of assets (A)								

Cashflows of liabilities and shareholders' equity	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Demand deposits/current accounts/savings accounts								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Fixed deposits								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Other Deposits								
- of Singapore Government and Statutory Boards								
- of Other Sovereigns and Statutory Boards								
- of Non-bank Financial Institutions								
- of Other Corporate Customers								
- of Individual Customers								
Repurchase agreement								
Debt securities issued (include certificates of deposits)								
Amount due to banks (excluding intra-group)								
- interbank takings								
- nostro (credit balances)								
Intra-group balances								
- takings								
- nostro (credit balances)								
Bills payable								
Other liabilities								
Paid-up capital								
Reserves								
Balance of profit and loss account								
Subordinated debt								
Perpetual cumulative preference shares								
Total cashflows of liabilities and shareholders' equity (B)								
Net cashflows of on-balance sheet items (C)								
(C) = (A) + (B)								

Cashflows of off-balance sheet items	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Inflows								
Interest rate derivatives								
Foreign exchange derivatives								
Equity derivatives								
Credit derivatives								
Other derivative transactions								
Forward asset sales								
Other off-balance sheet items								
Total inflows (D)								
Outflows								
Interest rate derivatives								
Foreign exchange derivatives								
Equity derivatives								
Credit derivatives								
Other derivative transactions								
Guarantees, warranties and indemnities								
Endorsements and other obligations								
Bills for collection								
Unutilised commitments and undisbursed credit facilities								
Forward asset purchase								
Underwriting commitments								
Other off-balance sheet items								
Total (outflows) (E)								
Net cashflows of off-balance sheet items (F) (F) = (D) + (E)								
Consolidated cashflows of on-balance sheet and off-balance sheet items	Total	08/01/2008	08/02/2008	08/03/2008	-----	08/07/2008	-----	08/30/2008
Total net inflows/(outflows) (G) (G) = (C) + (F)								
Total net cumulative inflows/(outflows)								

Notes for completion

1. The maturity of the cashflows shall be profiled by day for the next thirty calendar days.
2. Banks shall also report cashflows after adjustment for the behavioural patterns they expect to occur.
3. Where a reporting bank considers an adjustment is appropriate, it shall approach the Authority which will consider the proposed adjustments on an individual bank basis.
4. Banks will need to provide empirical evidence to support the adjustments they propose. The empirical data should be run over an appropriate period of time.
5. Banks shall review the behavioural assumptions periodically to ensure that these are still valid.
6. No bank may make behavioural assumptions without the prior written agreement of the Authority.
7. The maturity analysis incorporates cashflows from both the banking and trading books.
8. Items shall be reported on a cashflow basis, including both interest and principal amounts, together with other income relating to them.
9. Where the amounts of cashflows are not material in relation to the total cashflows, the bank may agree, in consultation with the Authority, to a relaxation of the reporting requirements. The bank shall agree in advance with the Authority which flows will not be considered 'material' for the purposes of liquidity reporting. Any such arrangements shall be included in the bank's liquidity policy.
10. All claims and liabilities shall be reported gross. Reporting banks shall not net (or offset) claims on counterparties or groups of counterparties against debts owed to those counterparties or groups of counterparties, even where a legal right of set off exists.
11. Inflows shall be shown as "positive" and outflows "negative".

DRAFT MAS NOTICE 758

MAS 758

[DD MMM YYYY]

NOTICE TO BANKS
BANKING ACT, CAP 19

(MAS Notice 613 to Banks dated 6 June 2002 is cancelled.)

Minimum Cash Balances

1 This Notice is issued pursuant to section 39 of the Banking Act (Cap 19) [“the Act”] and applies to all banks in Singapore.

Definitions

2 In this Notice—

“computation period” means the relevant 2-week period beginning on a Thursday and ending on a Wednesday;

“maintenance period” means the relevant 2-week period beginning on the third Thursday immediately following the end of a computation period and ending on a Wednesday;

“Current Account” means any account maintained with the Authority for holding cash to meet requirements under the Act and in the case of a bank which is a participant in MEPS+, for the settlement of any payments due and payable by the bank under MEPS+;

“MEPS+” means the real time gross settlement system established and operated by the Authority under section 29A of the Monetary Authority of Singapore Act (Cap 186);

“Qualifying Liabilities” has the same meaning as in MAS Notice 613.

3 In this Notice, the expressions used shall, except where expressly defined in this Act or where the context otherwise requires, have the same meanings in the Act.

Minimum Cash Balances Requirement

4 A bank shall, during a maintenance period, maintain in its Current Account, a minimum cash balance (“MCB”) of at least an average of 3% of its average Qualifying Liabilities (referred to as “MCB requirement”) computed during a computation period.

5 For the purposes of this Notice, the first computation period shall be [DD MMM YYYY] to [DD MMM YYYY]. The corresponding maintenance period shall be [DD MMM YYYY] to [DD MMM YYYY].

6 Subject to paragraph 4, a bank may, on a day-to-day basis, maintain in its Current Account, a cash balance within a band of 1% above or below the MCB requirement at the close of business. A bank shall not count any balance in its Current Account in excess of 4% of the average of its Qualifying Liabilities computed during the computation period towards its MCB requirement.

7 Unless directed otherwise under section 39, a bank may, on an intra-day basis, utilise the full amount in its Current Account to settle its payments obligations under MEPS+.

8 Notwithstanding paragraphs 6 and 7, a bank shall, at all times, maintain in its Current Account, a minimum cash balance of at least 2% of the average of the Qualifying Liabilities computed during the computation period, at the close of business of every day during the maintenance period.

9 A bank shall treat the cash balances in its Current Account maintained on Saturday as balances maintained for Sunday. Where a bank does not open for business on Saturday, the bank shall treat the cash balances in its Current Account maintained on Friday as balances maintained for both Saturday and Sunday. A bank shall treat the cash balances in its Current Account maintained immediately before any public holiday as balances maintained for each public holiday concerned. If the Thursday following the last Wednesday of a maintenance period is a public holiday, a bank shall have sufficient cash balances in its Current Account to accommodate any increase in the Qualifying Liabilities on Thursday.

10 A bank shall ensure that it has sufficient funds in its Current Account with the Authority to meet its obligations arising out of all transactions held on the same day.

11. Any bank which fails to comply with the minimum cash balance requirements set out in paragraphs 4 and 8 shall be liable to pay, on being called upon to do so by the Authority, for every day or part thereof of such failure, a financial penalty in accordance with the Banking (Financial Penalties under Sections 38 and 39) Order 2007.

12 Every bank shall—

- (a) prepare returns on its cash balances in the form set out on Appendix¹; and
- (b) submit the returns to the Authority through MASNET by the first Friday following the end of a maintenance period.

13 Any bank which is unable to submit its returns through MASNet shall submit the returns to the Authority in hardcopy form instead. If a bank wishes to amend its returns after the submission deadline, such amended returns shall be submitted in hardcopy form to the Authority. All hardcopy returns shall be signed by authorised signatories.

14. This Notice shall take effect on [date].

¹ All figures in these returns shall be rounded off to the nearest dollar

Manual Submission/Amendment* of MCB Returns

Bank Acct No : _____
Name of Bank : _____
Average Qualifying Liabilities : _____
Maintenance Period : _____

	Week 1	Week 2
Thursday	_____	_____
Friday	_____	_____
Saturday	_____	_____
Sunday	_____	_____
Monday	_____	_____
Tuesday	_____	_____
Wednesday	_____	_____

Authorised Signatory : _____
Name : _____
Position : _____

* - Please delete accordingly



Monetary Authority of Singapore