



REPUBLIC OF SINGAPORE

GOVERNMENT GAZETTE

ACTS SUPPLEMENT

Published by Authority

NO. 28]

FRIDAY, MAY 26

[2017

First published in the *Government Gazette*, Electronic Edition, on 23 May 2017 at 5 pm.

The following Act was passed by Parliament on 29 February 2016 and assented to by the President on 13 April 2016:—

REPUBLIC OF SINGAPORE

No. 5 of 2016.

I assent.

TONY TAN KENG YAM,

President.

13 April 2016.



An Act to amend the Banking Act (Chapter 19 of the 2008 Revised Edition) and to make a consequential amendment to the Income Tax Act (Chapter 134 of the 2014 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Banking (Amendment) Act 2016 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Repeal and re-enactment of long title

2. The long title to the Banking Act is repealed and the following long title substituted therefor:

“An Act to provide for the licensing and regulation of the businesses of banks, merchant banks and related institutions, and the credit card and charge card business of banks, merchant banks and other institutions, and matters related thereto.”.

Amendment of section 2

3. Section 2(1) of the Banking Act is amended —

- (a) by deleting the words “calculating its capital adequacy ratio” in paragraph (a)(i) of the definition of “capital funds” and substituting the words “complying with the capital adequacy requirements imposed”;
- (b) by inserting, immediately after the word “established” in the definition of “company”, the words “in or”;
- (c) by inserting, immediately after the definition of “foreign-owned bank incorporated in Singapore”, the following definition:

““Guidelines on Fit and Proper Criteria” means the document by that title issued by the Authority and published on its website, as revised from time to time;”;
- (d) by inserting, immediately after the definition of “limited liability partnership”, the following definition:

““merchant bank” means a merchant bank approved as a financial institution under

section 28 of the Monetary Authority of Singapore Act (Cap. 186);”;

(e) by deleting the words “the supervisory authority” in paragraphs (a) and (b) of the definition of “parent supervisory authority” and substituting in each case the words “a supervisory authority”;

(f) by deleting the definition of “place of business” and substituting the following definition:

““place of business”, in relation to a bank, includes a head or main office, a branch, an agency, a mobile branch of the bank, any office established and maintained for a limited period only, and any other place used by the bank for the conduct of any business of the bank;”;

(g) by inserting, immediately after the definition of “related corporation”, the following definition:

““representative office” means an office established by a person to carry out liaison work, market research or feasibility studies, in relation to banking business, for use by the person;”.

Amendment of section 7

4. Section 7 of the Banking Act is amended —

(a) by deleting subsection (2);

(b) by inserting, immediately after subsection (4), the following subsection:

“(4A) Without limiting the generality of subsections (3) and (4), the conditions that may be imposed include —

(a) a condition as to the type of banking business that may be carried out; and

- (b) a condition placing limits on the banking business that may be carried out.”;
- (c) by inserting, immediately after subsection (7), the following subsections:
 - “(8) A bank which desires to vary a condition referred to in subsection (4A) in its licence must apply to the Authority in writing, and the application must be accompanied by such information as the Authority may require.
 - (9) An application under subsection (1) or (8) must be accompanied by a non-refundable application fee of such amount as the Authority may, by notification in the *Gazette*, prescribe, which must be paid in the manner specified by the Authority.
 - (10) Any person who furnishes any document or information in connection with an application under subsection (1) or (8), knowing or reckless that the document or information is false or misleading in a material particular, shall be guilty of an offence and shall be liable on conviction —
 - (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
 - (b) in any other case, to a fine not exceeding \$250,000.”; and
- (d) by inserting, immediately after the word “licence” in the section heading, the words “or variation of condition as to banking business”.

Amendment of section 9

5. Section 9 of the Banking Act is amended —

- (a) by deleting the words “or hold” in subsection (1);
- (b) by deleting subsection (2) and substituting the following subsections:

“(2) Subject to subsection (2A), the paid-up capital and capital funds of a bank incorporated in Singapore must be denominated in Singapore dollars or any currency approved by the Authority, and must be in ordinary shares.

(2A) Any amount of paid-up capital or capital funds of a bank incorporated in Singapore above the amount referred to in subsection (1)(a) may be denominated in any currency, and may be in any type of shares.”;

(c) by inserting, immediately after subsection (3), the following subsection:

“(3A) A bank must at all times maintain —

(a) if it is a bank incorporated in Singapore, capital funds of not less than the amount referred to in subsection (1)(a); or

(b) if it is a bank incorporated outside Singapore, head office capital funds of not less than the equivalent of the amount referred to in subsection (1)(b).”;

(d) by deleting the words “subsection (1)” in subsection (4) and substituting the words “subsection (2) or (3A)”;

(e) by deleting the words “section 71” in subsection (5) and substituting the words “subsection (5A)”;

(f) by inserting, immediately after subsection (5), the following subsection:

“(5A) Any bank which fails to comply with —

(a) subsection (2), (3), (3A) or (4); or

(b) any restriction or suspension imposed by the Authority, or any direction of the Authority, under subsection (5),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not