

Banking (Amendment) Bill

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Bill No: 15/1983

Read the first time: 20th December 1983

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Expenditure of Public Money

Banking (Amendment) Bill

Bill No. 15/1983

Read the first time on 20th December 1983.

An Act to amend the Banking Act (Chapter 182 of the 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 may be cited as the Banking (Amendment) Act 1983 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2 of the Banking Act is amended —

(a) by inserting, immediately before the definition of “the Authority”, the following definition:

“ “agreement” means an agreement whether formal or informal and whether express or implied;”;

(b) by inserting, immediately after the definition of “company”, the following definition:

“ “credit facilities” means —

- (a) the granting by a bank of advances, loans and other facilities whereby a customer of the bank has access to funds or financial guarantees; or
 - (b) the incurring by a bank of other liabilities on behalf of a customer;”;
- (c) by inserting, immediately after the definition of “licence”, the following definitions:

“ “officer”, in relation to a corporation, includes —

- (a) a director, secretary or employee of a corporation;
- (b) a receiver or manager of any part of the undertaking of the corporation appointed under a power contained in any instrument; and
- (c) the liquidator of a company appointed in a voluntary winding up;

“person” includes a corporation;”;

- (d) 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 representative office, 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 dispensing or acceptance of money on account or for the conduct of other banking business;”;
and

- (e) by inserting, immediately after the definition of “savings account liabilities”, the following definition:

“ “share”, in relation to a bank, means a share in the share capital of a bank and includes an interest in such a share;”.

Repeal and re-enactment of section 6

3. Section 6 of the Banking Act is repealed and the following section substituted therefor:

“Examination of persons suspected of transacting banking business and access to premises

6. Whenever the Authority has reason to believe that a person is transacting banking business without a licence, it —

- (a) shall, at all times, have full and free access to the premises at which that person is suspected of transacting banking business without a licence or at which that person may have books, accounts and records; and
- (b) shall, at all times, have the power to examine, copy or take possession of the books, accounts and records of that person in order to ascertain whether or not that person has violated, or is violating, any provisions of this Act,

and any refusal to allow full and free access to such premises or to submit such books, accounts and records shall be prima facie evidence of the fact of operation without a licence.”.

Amendment of section 7

4. Section 7 of the Banking Act is amended by inserting, immediately after subsection (1), the following subsection:

“(1A) Any person who knowingly or recklessly furnishes any document or information which is false or misleading in a material particular in connection with an application for a licence falling within subsection (1) shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding 3 years or to a fine not exceeding \$50,000 or to both.”.

New sections 14A to 14D

5. The Banking Act is amended by inserting, immediately after section 14, the following sections:

“Control of take-overs of banks incorporated in Singapore

14A.—(1) This section and sections 14B and 14C shall apply to and in relation to all natural persons whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(2) Without prejudice to section 14, no person shall, after the commencement of the Banking (Amendment) Act 1983, enter into an agreement to acquire shares of a bank that is incorporated in Singapore by virtue of which he would, if the

agreement is carried out, obtain effective control of that bank without first notifying the Authority of his intention to enter into the agreement and obtaining the approval of the Authority to his entering into the agreement.

(3) For the purposes of this section —

- (a) a person shall be regarded as entering into an agreement by virtue of which he would obtain effective control of a bank if the person alone or acting together with any associate or associates of that person would be in a position to control not less than 20 per cent of the voting power in the bank or would hold interests in not less than 20 per cent of the issued shares of the bank;
- (b) a reference to an agreement by which a person would obtain effective control of a bank that is incorporated in Singapore includes a reference to an agreement by which the person would acquire any interest in shares in the bank where, upon the acquisition of those interests and of any other interests in other shares of the bank that he has offered to acquire, he would have effective control of the bank;
- (c) a reference to a person offering to acquire interests in shares includes —
 - (i) a reference to a person making or publishing a statement, however expressed, that expressly or impliedly invites a holder of interests in shares to offer to dispose of interests in shares; and
 - (ii) a reference to a person taking part in or proposing to take part in negotiations with a view to the acquisition of shares;
- (d) a person holds an interest in a share if he has any legal or equitable interest in that share and without limiting the generality of the foregoing an interest in shares shall have the meaning assigned to that expression in section 6A(6) to (10) of the Companies Act (Cap. 185);
- (e) a reference to the voting power in a bank is a reference to the total number of votes that might be cast in the general meeting of the bank;
- (f) the following persons are associates of a person:
 - (i) the person's spouse or a parent or remoter lineal ancestor, son, daughter or remoter issue, brother or sister of the person;