

**Banking Ordinance**

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**Bill No: 148/1961**

*Read the first time: 14th June 1961*

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## **Banking Ordinance**

### **Bill No. 148/1961**

*Read the first time on 14th June 1961.*

An Ordinance to provide for the licensing and regulation of the business of banking, and to amend certain provisions of the Companies Ordinance (*Chapter 174 of the Revised Edition*).

Be it enacted by the Yang di-Pertuan Negara with the advice and consent of the Legislative Assembly of Singapore, as follows: —

### PART I

#### PRELIMINARY

#### **Short title and commencement**

1. This Ordinance may be cited as the Banking Ordinance, 1961, and shall come into operation on such date as the Minister may by notification in the *Gazette*, appoint.

#### **Interpretation**

2. In this Ordinance, unless the context otherwise requires —

“bank” means any company which carries on banking business;

“banking business” means the business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, and making advances to customers;

“company” means any company incorporated formed and registered under the Companies Ordinance (Cap. 174) and any company formed in pursuance of any other written law in Singapore or by Royal Charter or Letters Patent of the United Kingdom; and includes any company incorporated outside Singapore which has complied with the provisions of Part X of the Companies Ordinance;

“Inspector” means the Inspector of Banks appointed under section 17 of this Ordinance;

“licence” means a licence granted under section 3 or section 34 of this Ordinance;

“licensed bank” means a bank holding a valid licence and all the offices and branches in Singapore of such a bank shall be deemed to be one bank.

## PART II

### LICENSING OF BANKS

#### **Banking business to be transacted only by a licensed bank**

3.—(1) Banking business shall not be transacted in Singapore except by a company which is in possession of a licence in writing from the Minister authorising it to do so.

(2) A company which desires to carry on banking business in Singapore shall apply in writing through the Inspector to the Minister for a licence under this section and shall supply —

- (a) a copy of the memorandum of association and articles of association or other instrument under which the company is incorporated, duly verified by a statutory declaration made by a senior officer of the company;
- (b) a copy of the latest balance-sheet of the company; and
- (c) such other information as may be called for by the Minister.

(3) Upon receiving an application under subsection (2) of this section the Inspector shall consider the application and make a recommendation to the Minister stating whether a licence should be granted or not and the conditions (if any) to be attached to the licence.

(4) Upon receiving an application under subsection (2) of this section and the recommendation of the Inspector under subsection (3) of this section the Minister may subject to the provisions of section 4 of this Ordinance, grant a licence, with or without conditions, or refuse a licence.

(5) The Minister may at any time, on the recommendation of the Inspector, vary or revoke any existing conditions of a licence or impose conditions or additional conditions:

Provided that the Minister shall, prior to any such action, notify his intention to take such action to the licensed bank concerned and shall give the bank an opportunity to submit reasons why its licence should not be so amended.

(6) Where a licence is subject to conditions the licensed bank shall comply with those conditions.

(7) Any person who contravenes the provisions of subsection (1) of this section shall be guilty of an offence against this Ordinance and shall, on conviction be liable to imprisonment for a term not exceeding three years or to a fine not exceeding five thousand dollars or to both such imprisonment and fine.

(8) Any licensed bank which fails to comply with any conditions of its licence shall