

# **Banking (Corporate Governance) (Amendment) Regulations 2010**

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BANKING ACT  
(CHAPTER 19)

BANKING (CORPORATE GOVERNANCE) (AMENDMENT) REGULATIONS 2010

In exercise of the powers conferred by section 78 of the Banking Act, the Monetary Authority of Singapore hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Banking (Corporate Governance) (Amendment) Regulations 2010 and shall come into operation on 9th December 2010.

**Amendment of regulation 2**

2. Regulation 2(1) of the Banking (Corporate Governance) Regulations 2005 (G.N. No. S 583/2005) (referred to in these Regulations as the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “Audit Committee”, the following definition:

“ “board committee” —

(a) in relation to a bank incorporated in Singapore, means any of the committees specified in regulation 11(1) and the Executive Committee referred to in regulation 10; and

(b) in relation to a relevant financial holding company, means any of the committees specified in regulation 28(1) and the Executive Committee referred to in regulation 27;”;

(b) by deleting the definition of “independent director” and substituting the following definition:

“ “independent director”, in relation to a bank in Singapore or a financial holding company, means a director who —

(a) is independent from any management and business relationship with the bank or financial holding company, as the case may be;

- (b) is independent from any substantial shareholder of the bank or financial holding company, as the case may be; and
  - (c) has not served on the board of the bank or financial holding company, as the case may be, for a continuous period of 9 years or longer;”;  
and
- (c) by inserting, immediately after the definition of “Remuneration Committee”, the following definition:
  - “ “Risk Management Committee” means a Risk Management Committee referred to in regulation 17A or 34A, as the case may be;”.

#### **Amendment of regulation 7**

3. Regulation 7(2) of the principal Regulations is amended by deleting the words “and 17(1)” and substituting the words “, 17(1) and 17A(1)”.

#### **Amendment of regulation 8**

4. Regulation 8 of the principal Regulations is amended by deleting the words “or 17(1)” in paragraphs (2)(b) and (i) and (3) and substituting in each case the words “, 17(1) or 17A(1)”.

#### **Amendment of regulation 9**

5. Regulation 9 of the principal Regulations is amended —

- (a) by inserting the word “and” at the end of paragraph (1)(a);
- (b) by deleting sub-paragraphs (b), (c) and (d) of paragraph (1) and substituting the following sub-paragraph:

“(b) at least a majority of directors who are independent directors.”;

- (c) by deleting paragraph (2) and substituting the following paragraph:

“(2) Where a single substantial shareholder holds 50% or more of the share capital or the voting power in a bank incorporated in Singapore, paragraph (1)(b) shall not apply to the bank only if the bank has a board of directors comprising —

- (a) at least a majority of directors who are independent from management and business relationships with the bank; and
  - (b) at least one-third of directors who are independent directors.”;
- (d) by deleting the words “14 days of” in paragraph (3)(a) and substituting the words “14 days after”; and
- (e) by inserting, immediately paragraph (6), the following paragraph:
 

“(6A) Any bank which contravenes paragraph (3)(a) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.”.

## **Amendment of regulation 11**

6. Regulation 11 of the principal Regulations is amended —

- (a) by deleting the word “and” at the end of paragraph (1)(b);
- (b) by deleting the full-stop at the end of sub-paragraph (c) of paragraph (1) and substituting the words “; and”, and by inserting immediately thereafter the following sub-paragraph:
 

“(d) a Risk Management Committee.”;
- (c) by inserting, immediately after paragraph (1), the following paragraph:
 

“(1A) A bank incorporated in Singapore shall ensure that every member of each Committee referred to in paragraph (1) shall have unfettered access to information which the bank is in possession of or has access to, for the purposes of carrying out the responsibilities of the Committee concerned.”;
- (d) by deleting the words “a Nominating Committee or a Remuneration Committee” in paragraph (2) and substituting the words “a Nominating Committee, a Remuneration Committee or a Risk Management Committee”;
- (e) by deleting the words “the Nominating Committee or the Remuneration Committee” in paragraph (2)(a) and (b) and substituting in each case the words “the Nominating Committee, the Remuneration Committee or the Risk Management Committee”; and
- (f) by inserting, immediately after the words “paragraph (1)” in paragraph (3),