



THE STATUTES OF THE REPUBLIC OF SINGAPORE

**DEPOSIT INSURANCE AND
POLICY OWNERS' PROTECTION
SCHEMES ACT 2011**

2020 REVISED EDITION

This revised edition incorporates all amendments up to and including 1 December 2021 and comes into operation on 31 December 2021.

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT 1983

Informal Consolidation – version in force from 31/12/2021

Deposit Insurance and Policy Owners' Protection Schemes Act 2011

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An Act to reconstitute the Deposit Insurance Scheme for the purpose of providing limited compensation to insured depositors under certain circumstances, to establish a Policy Owners' Protection Scheme for the purpose of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries under certain circumstances, and for matters connected therewith.

[1 May 2011]

PART 1

PRELIMINARY

Short title

1. This Act is the Deposit Insurance and Policy Owners' Protection Schemes Act 2011.

General interpretation

2.—(1) In this Act, unless the context otherwise requires —

“accident and health policy” has the meaning given in the First Schedule to the Insurance Act 1966;

“account with the electronic service”, in relation to any person, means a computer account within the electronic service which is assigned by the Authority to that person for the storage and retrieval of electronic records relating to that person;

“Agency” means the company designated by the Minister under section 56 to be the deposit insurance and policy owners' protection fund agency;

“authentication code”, in relation to any person, means an identification or identifying code, a password or any other authentication method or procedure which is assigned to that person for the purposes of identifying and authenticating the access to and use of the electronic service by that person;

“Authority” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act 1970;

“bank” has the meaning given by section 2(1) of the Banking Act 1970;

“beneficiary” —

(a) in relation to an insured policy which is covered under the PPF Life Fund or the PPF General Fund, means any person entitled to claim benefits under the terms of that insured policy; and

(b) in relation to an accidental death insurance cover provided by a PPF Scheme member before the inception of an insured policy, means any person entitled to the accidental death benefit under the terms of the cover;

“book” includes any record, register, document or other record of information, and any account or accounting record, however compiled, recorded or stored, whether in written or printed form or on microfilm or in electronic form or otherwise;

“captive insurer” has the meaning given by section 2 of the Insurance Act 1966;

“Chief Executive” means the Chief Executive of the Agency appointed under section 62 and includes any person acting in that capacity;

“claim event” means the contingency upon which policy moneys are payable under an insured policy;

“client account”, in relation to an insured depositor, means an account maintained by the insured depositor with a

DI Scheme member for the purpose of holding moneys by the insured depositor for a client of the insured depositor, whether or not other moneys may be held in that account;

“commuted value”, in relation to an insured policy which provides for the payment of an annuity, means the present value of the expected future payments to be made —

(a) for a term dependant on the continuation of human life; or

(b) upon the death of the life assured or surrender of the insured policy by the insured policy owner,

as specified under the terms of the insured policy;

“company” has the meaning given by section 4(1) of the Companies Act 1967;

“compulsory insurance policy” means any policy of insurance which complies with the requirements of —

(a) the Motor Vehicles (Third-Party Risks and Compensation) Act 1960; or

(b) the Work Injury Compensation Act 2019 or the Work Injury Compensation Act (Cap. 354, 2009 Revised Edition) repealed by that Act;

“corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“coupon deposit”, in relation to any insured policy, means any sum of money, being part of the policy moneys which the insurer is obliged to pay to the insured policy owner at agreed intervals under the terms of the insured policy which the insured policy owner instructs the insurer not to pay out to the insured policy owner but for the sum of money to be deposited with the insurer to earn interest at an agreed rate;

“covered party” means —

(a) an insured policy owner of an insured policy which is covered by the PPF Life Fund or the PPF General Fund, as the case may be;

(b) the trustee of a trust of an insured policy which is covered by the PPF Life Fund or the PPF General Fund (as the case may be), in that capacity; or

(c) a beneficiary in relation to —

(i) an insured policy which is covered by the PPF Life Fund or the PPF General Fund, as the case may be; or

(ii) an accidental death insurance cover provided by a PPF Scheme member before the inception of an insured policy;

“CPFIS” means the Central Provident Fund Investment Scheme introduced by the Central Provident Fund Board under the Central Provident Fund (Investment Schemes) Regulations;

“CPFERS” means any Retirement Sum Scheme established under any regulations made under section 77(1) of the Central Provident Fund Act 1953;

“deposit” means a sum of money paid on terms —

(a) under which it will be repaid, with or without interest or a premium, or with any consideration in money or money’s worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and

(b) which are not referable to the provision of property or services;

“deposit-taking business” has the meaning given by section 4B of the Banking Act 1970;

“depositor” means any person who is entitled to repayment of a deposit, whether or not the deposit is made by the person;

“DI exempt member” means a full bank or finance company which has been exempted by the Authority under section 6 from the requirement to be a DI Scheme member;

“DI Fund” means the Deposit Insurance Fund reconstituted under section 9;

“direct insurer” has the meaning given by section 2 of the Insurance Act 1966;

“DI Scheme” means the Deposit Insurance Scheme reconstituted under section 4;

“DI Scheme member” means a member of the DI Scheme;

“electronic record” has the meaning given by section 2 of the Electronic Transactions Act 2010;

“electronic service” means the electronic service provided by the Authority under section 86;

“excluded person” means —

(a) any bank;

(b) any person who carries on business activities outside of Singapore which, if conducted in Singapore, would require the person to be licensed under section 7 of the Banking Act 1970; and

(c) such other person or class of persons as the Authority may prescribe;

“failed DI Scheme member” means a DI Scheme member in respect of which the Authority has made a determination that compensation is to be paid out of the DI Fund under section 21(1), and any reference to “failure” in relation to a DI Scheme member is to be construed accordingly;

“failed PPF Scheme member” means a PPF Scheme member in respect of which the Authority has made a determination under section 46(1) that the PPF Life Fund or the PPF General Fund is to be utilised for one or more of the purposes mentioned in section 46(2), and any reference to “failure” in relation to a PPF Scheme member is to be construed accordingly;

“finance company” has the meaning given by section 2 of the Finance Companies Act 1967;

- “full bank” means any bank holding a licence granted by the Authority under the Banking Act 1970 which permits the bank to carry on the full range of banking business;
- “general business” and “life business” have the meanings given by section 3 of the Insurance Act 1966, read with section 4(3) of that Act;
- “group policy” means any policy of insurance in respect of which the policy owner is not an individual;
- “guaranteed policy liabilities”, in relation to insured policies, means the policy liabilities, relating to benefits guaranteed under the insured policies only, calculated in accordance with regulations prescribed pursuant to section 17 of the Insurance Act 1966 for the valuation of assets and liabilities in an insurance fund;
- “health policy” means any accident and health policy which is not a personal accident policy;
- “individual policy” means a policy of insurance in respect of which the policy owner is an individual;
- “insured deposit” has the meaning given in the First Schedule;
- “insured deposit base” has the meaning given by section 3;
- “insured depositor” means any person who is not an excluded person and is entitled to the repayment of any insured deposit, whether or not the insured deposit is made by the person, and includes —
- (a) in the case of a deposit held by a trustee under a trust, the trustee; and
 - (b) to avoid doubt, in the case of a deposit held by a depositor in a client account, the depositor;
- “insured policy” means —
- (a) any life policy;
 - (b) any accident and health policy;
 - (c) any compulsory insurance policy; or

(d) any specified personal line insurance policy which is a Singapore policy;

“insured policy owner” means the policy owner of an insured policy;

“life policy” has the meaning given in the First Schedule to the Insurance Act 1966;

“liquidator” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“marine mutual insurance business” means the business of providing the insurance of liabilities under insurance policies on the basis of mutual insurance —

(a) upon goods, merchandise or property of any description transported on board any vessel, including incidental transit before and after shipment;

(b) upon the freight of, or any other interest in or relating to, vessels;

(c) upon vessels, or upon machinery, tackle furniture or equipment of vessels;

(d) against damage arising out of or in connection with the use of vessels, including third-party risks;

(e) against risks incidental to the construction, repair or docking of vessels, including third-party risks; or

(f) against such other risks as the Authority considers to be connected with or incidental to marine adventures or any of the matters referred to in paragraphs (a) to (e);

“Maximum DI Coverage” has the meaning given in the First Schedule;

“non-voluntary group insurance policy” means a group policy to insure the lives of certain individuals which is not taken out at the request or discretion of any of the life assureds;

“officer” has the meaning given by section 2(1) of the Banking Act 1970;

“parent bank” has the meaning given by section 2(1) of the Banking Act 1970;

“parent supervisory authority” has the meaning given by section 2(1) of the Banking Act 1970;

“personal accident policy” means an accident and health policy in respect of which accident and health benefits are paid out only —

(a) in the event of an injury to, or disability of, the life assured as a result of accident;

(b) on the death by accident of the life assured; or

(c) on the occurrence of a combination of the events referred to in paragraphs (a) and (b);

“policy” has the meaning given in the First Schedule to the Insurance Act 1966;

“policy owner” has the meaning given in the First Schedule to the Insurance Act 1966;

“PPF exempt member” means a relevant insurer which has been exempted by the Authority under section 32 from the requirement to be a PPF Scheme member;

“PPF General Fund” means the Policy Owners’ Protection General Fund established under section 34(1)(b);

“PPF Life Fund” means the Policy Owners’ Protection Life Fund established under section 34(1)(a);

“PPF Scheme” means the Policy Owners’ Protection Scheme established under section 30;

“PPF Scheme member” means a member of the PPF Scheme;

“premium year”, in relation to the determination and payment of premium contributions and levies, means such period as may be prescribed by the Authority as a premium year —

- (a) under section 12(4), in respect of the premium contributions payable by DI Scheme members; or
- (b) under section 37(4), in respect of the levies payable by PPF Scheme members;

“prescribed product” means any product which is prescribed by the Authority as an insured deposit under the First Schedule;

“protected liabilities” has the meaning given in the Third Schedule;

“protection ratio” has the meaning given in the Fourth Schedule;

“quantification date” means —

- (a) in the case of a DI Scheme member —
 - (i) that is wound up by a court in Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (ii) that is wound up by a court in a country or territory outside Singapore, the date of commencement of winding up under the law of that country or territory;
 - (iii) that is wound up by a court in Singapore and by a court in a country or territory outside Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (iv) that is wound up voluntarily in Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (v) that is wound up voluntarily in a country or territory outside Singapore, the date of commencement of winding up under the law of that country or territory;

- (vi) that is wound up voluntarily in Singapore and in a country or territory outside Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018; or
 - (vii) in respect of which the Authority determines that compensation be paid out of the DI Fund under section 21(1) (whether the DI Scheme member is subsequently wound up or not), the date on which the notice of payment of compensation is published in the *Gazette* under section 21(4); and
- (b) in the case of a PPF Scheme member —
- (i) that is wound up by a court in Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (ii) that is wound up by a court in a country or territory outside Singapore, the date of commencement of winding up under the law of that country or territory;
 - (iii) that is wound up by a court in Singapore and by a court in a country or territory outside Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (iv) that is wound up voluntarily in Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
 - (v) that is wound up voluntarily in a country or territory outside Singapore, the date of commencement of winding up under the law of that country or territory;

- (vi) that is wound up voluntarily in Singapore and in a country or territory outside Singapore, the date of commencement of winding up under the Insolvency, Restructuring and Dissolution Act 2018;
- (vii) that is a co-operative society in respect of which the Registrar of Co-operative Societies has made an order cancelling the registration of that society under section 89(1) of the Co-operative Societies Act 1979, the date of the order; or
- (viii) in respect of which the Authority has made a determination under section 46(1) that the PPF Life Fund or the PPF General Fund is to be utilised for one or more of the purposes mentioned in section 46(2) (whether the PPF Scheme member is subsequently wound up or not), the date on which the notification of the Authority's determination is published in the *Gazette* under section 46(6);

“relevant insured deposits” has the meaning given by section 3;

“relevant insurer” means —

- (a) a direct insurer licensed to carry on life business under the Insurance Act 1966 (other than a captive insurer); or
- (b) a direct insurer licensed to carry on general business under the Insurance Act 1966 (other than a captive insurer or specialist insurer);

“repealed Act” means the Deposit Insurance Act (Cap. 77A, 2006 Revised Edition) repealed by this Act;

“resolution fund” means a fund established under section 99 of the Monetary Authority of Singapore Act 1970;

“resolution measure” has the meaning given by section 98 of the Monetary Authority of Singapore Act 1970;

“Rules” means any rules issued by the Agency under section 63;

“Singapore policy” has the meaning given in the First Schedule to the Insurance Act 1966;

“specialist insurer” means —

- (a) an insurer which is licensed under section 11 of the Insurance Act 1966 and which is permitted by its licence to carry on the business of issuing financial guarantee policies;
- (b) an insurer which is licensed under section 11 of the Insurance Act 1966 as a direct insurer to carry on general business and which is permitted by its licence to carry on the business of issuing trade credit and political risk policies only; or
- (c) an insurer licensed under section 11 of the Insurance Act 1966 as a direct insurer to carry on general business and which is permitted to carry on marine mutual insurance business only;

“specified personal line insurance policy” means any of the following policies of insurance issued to a natural person:

- (a) a policy of insurance which provides personal motor cover;
- (b) a policy of insurance which provides personal travel cover;
- (c) a policy of insurance which provides personal property (structure and contents) cover;
- (d) a policy of insurance which provides cover in connection with the employment of a foreign domestic worker;

“Supplementary Retirement Scheme” has the meaning given by section 2(1) of the Income Tax Act 1947;

“trustee”, in relation to a resolution fund, means the entity appointed under section 99(2) of the Monetary Authority of Singapore Act 1970 as the trustee of the resolution fund;

“trust”, in relation to an insured policy which is covered under the PPF Life Fund or the PPF General Fund, means —

- (a) any trust of the policy moneys created under section 132(2) of the Insurance Act 1966;
- (b) any trust of the objects of the insured policy created under section 73 of the Conveyancing and Law of Property Act 1886;
- (c) any express trust created by the insured policy owner over the policy moneys; or
- (d) any resulting or constructive trust over the policy moneys;

“trustee”, in relation to a trust, means a trustee of a trust in that capacity;

“unclaimed moneys”, in relation to an insured policy issued by a failed PPF Scheme member, means any policy moneys which, as a result of a contingency happening, have been ascertained by the failed PPF Scheme member to be due and payable under that insured policy before the quantification date but which have not been paid to or have been paid but not yet received by the person entitled to payment of the policy moneys.

*[11/2013; 26/2016; 31/2017; 31/2018; 40/2018; 27/2019;
1/2020]*

(2) For the purposes of the definition of “deposit”, money is paid on terms which are referable to the provision of property or services if, and only if, it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided.

Meanings of “insured deposit base” and “relevant insured deposits”

3.—(1) In this Act, unless the context otherwise requires, “insured deposit base”, in relation to a DI Scheme member, means the

aggregate of the amount of every relevant insured deposit of all the insured depositors of the DI Scheme member.

(2) In subsection (1), “relevant insured deposits”, in relation to an insured depositor of a DI Scheme member, means —

- (a) the aggregate of the amounts, not exceeding the Maximum DI Coverage, of insured deposits placed with the DI Scheme member which —
 - (i) are held by that insured depositor in the insured depositor’s own right;
 - (ii) are held by that insured depositor in the insured depositor’s own right jointly with one or more persons in a joint account;
 - (iii) where the insured depositor is a sole-proprietor, are held in the name of the sole-proprietorship; and
 - (iv) consist of moneys denominated in Singapore dollars placed with the failed DI Scheme member under the Supplementary Retirement Scheme;
- (b) the amount, not exceeding the Maximum DI Coverage, of insured deposits held by that insured depositor as a trustee under a trust in every account opened with the DI Scheme member;
- (c) the amount, not exceeding the Maximum DI Coverage, of insured deposits held by that insured depositor in every client account opened with the DI Scheme member;
- (d) any moneys denominated in Singapore dollars placed by that insured depositor with the DI Scheme member under the CPFIS and CPFERS, not exceeding the Maximum DI Coverage; and
- (e) the amount, not exceeding the Maximum DI Coverage, of one or more prescribed products held by that insured depositor and placed with the DI Scheme member, which the Minister has, by order in the *Gazette*, determined that it or they must not be aggregated with any of the insured deposits under paragraphs (a), (b), (c) and (d) and must be

subject to separate coverage under the DI Scheme of an amount not exceeding the Maximum DI Coverage, whether on its own or in aggregation with other prescribed products.

[26/2016]

- (3) For the purposes of subsection (2) —
- (a) a reference to an insured deposit includes a reference to part of the insured deposit;
 - (b) where an insured depositor holds an insured deposit in the insured depositor's own right jointly with one or more persons in a joint account, each of them, whether or not each of them is an insured depositor, is deemed to have an equal share in the insured deposit unless there is an express provision to the contrary in the books of the DI Scheme member;
 - (c) where there are 2 or more insured depositors holding any insured deposit in an account under a trust or a client account jointly, each of them is deemed to have an equal interest in the insured deposit; and
 - (d) where the Minister does not make the determination referred to in subsection (2)(e) in respect of any prescribed product, that prescribed product must be aggregated with the insured deposits referred to in subsection (2)(a).

PART 2

DEPOSIT INSURANCE SCHEME

Reconstitution of Deposit Insurance Scheme

4. For the purposes of this Act, the Deposit Insurance Scheme continues and is reconstituted in accordance with this Act for the benefit of insured depositors in respect of their insured deposits placed with DI Scheme members.

Membership of DI Scheme

5.—(1) Every full bank or finance company which is not exempted under section 6 is a DI Scheme member so long as it holds a valid licence under the Banking Act 1970 or the Finance Companies Act 1967, as the case may be.

(2) Every full bank or finance company, which holds a valid licence under the Banking Act 1970 or the Finance Companies Act 1967 (as the case may be) immediately before 1 May 2011, is deemed to be a DI Scheme member from that date.

(3) Every full bank or finance company, which is granted a licence under the Banking Act 1970 or the Finance Companies Act 1967 (as the case may be) on or after 1 May 2011, is a DI Scheme member from the date on which its licence is granted.

Exemption from DI Scheme membership

6.—(1) Any full bank or finance company may apply in writing to the Authority to be exempted from the requirement under section 5(1) to be a DI Scheme member.

(2) Upon an application by a full bank or finance company under subsection (1), the Authority may, subject to subsection (4), exempt the full bank or finance company from the requirement under section 5(1), and notice of every such exemption must be published in the *Gazette*.

(3) The Authority may require the applicant to provide the Authority with such information or documents as the Authority considers necessary in relation to the application.

(4) Without limiting subsection (2), the Authority must, in determining whether to grant an exemption under subsection (2), have regard to —

- (a) the scope of deposit-taking business conducted by the applicant in Singapore;
- (b) in the case of any applicant which is a full bank incorporated in a jurisdiction other than Singapore —

- (i) whether the deposits accepted by its branches and offices located within Singapore are insured by a deposit insurance scheme, or any other scheme of a similar nature, established and maintained in the jurisdiction in which the full bank is incorporated (called in this section the foreign scheme); and
 - (ii) whether the scope and level of protection available to those deposits under the foreign scheme are not less than the scope and level of protection that would be available to the deposits under the DI Scheme if those deposits were insured by the DI Scheme; and
- (c) the business activities conducted by the applicant in Singapore and its obligations to customers.

(5) The Authority may, when granting any exemption under subsection (2), impose on the DI exempt member by written notice such conditions or restrictions relating to the exemption as the Authority may think fit.

(6) The Authority may at any time —

- (a) by written notice to a DI exempt member, add to, vary or revoke any existing condition or restriction imposed by the Authority under subsection (5); or
- (b) by written notice to every DI exempt member in a particular class of such DI exempt members impose such conditions or restrictions as the Authority may think fit on the class.

(7) Every DI exempt member must comply with all the conditions and restrictions imposed on it under subsections (5) and (6).

(8) Any DI exempt member which contravenes subsection (7) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day or part of a day during which the offence continues after conviction.

Withdrawal of exemption from DI Scheme

7.—(1) The Authority may withdraw the exemption granted to a DI exempt member under section 6(2) if —

- (a) the DI exempt member fails to comply with any condition or restriction imposed in respect of the exemption under section 6(5) or (6); or
- (b) the Authority considers it necessary to do so in the public interest.

(2) Before withdrawing any exemption under subsection (1), the Authority must —

- (a) give the DI exempt member written notice of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the DI exempt member to show cause, within such time as may be specified in the notice, why the exemption should not be withdrawn.

(3) If the DI exempt member to whom a notice is given under subsection (2) —

- (a) fails to show cause within the time specified in the notice or within such extended period of time as the Authority may allow in any particular case; or
- (b) fails to show sufficient cause,

the Authority must give written notice to the DI exempt member of the withdrawal of the exemption and the date on which such withdrawal is to take effect.

(4) Where a withdrawal of exemption becomes effective, the Authority must publish a notice of the withdrawal in the *Gazette*.

Maintenance of assets in Singapore for DI Scheme members

8.—(1) The Authority may by regulations require any DI Scheme member, or any class of DI Scheme members, to maintain, in relation to its or their insured deposit base, such minimum amount of assets in Singapore as may be specified in such regulations for meeting its or

their liabilities in respect of insured deposits placed with the DI Scheme member.

(2) The Authority may make regulations which are necessary or expedient for carrying out the purposes of this section, including regulations for or with respect to —

- (a) the circumstances under which, and the manner in which, the Authority may impose an asset maintenance requirement;
- (b) the types of assets that are to be treated as assets maintained in Singapore and the minimum amount of assets for the purpose of an asset maintenance requirement; and
- (c) the method for the valuation of assets maintained in Singapore.

(3) If the Authority is satisfied that a DI Scheme member has failed to comply with any asset maintenance requirement under subsection (1), the Authority may impose a financial penalty.

(4) Any DI Scheme member which fails to comply with any asset maintenance requirement of the Authority under subsection (1) shall be liable to pay, upon being called to do so by the Authority, for every day or part of a day of such failure, a financial penalty in accordance with such formula as the Minister may, by order in the *Gazette*, prescribe.

(5) Before imposing a financial penalty on any DI Scheme member, the Authority must —

- (a) give the DI Scheme member written notice of its intention to do so, including the basis for its decision to impose the financial penalty; and
- (b) in the notice referred to in paragraph (a), call upon the DI Scheme member to show cause, within such time as may be specified in the notice, why the financial penalty should not be imposed.

(6) If the DI Scheme member to whom a notice is given under subsection (5) —

(a) fails to show cause within the time specified in the notice or within such extended period of time as the Authority may allow; or

(b) fails to show sufficient cause,

the Authority must give written notice to the DI Scheme member of the imposition of the financial penalty and the date by which the payment of the financial penalty must be made.

(7) Where a DI Scheme member is given a notice under subsection (6), the DI Scheme member must pay the financial penalty to the Authority by the date of payment specified in the notice.

(8) Any financial penalty payable under this Act is recoverable as a debt due to the Authority by the DI Scheme member.

(9) Despite any provision in the Limitation Act 1959, an action to recover any financial penalty recoverable by virtue of this section must not be brought after the expiry of 3 years from the date on which the cause of action accrued.

(10) Any financial penalty paid to or recovered by the Authority must be paid into the DI Fund.

(11) Where the Authority has commenced any proceedings in a court to recover a financial penalty from a DI Scheme member, the Authority is entitled to claim costs on a full indemnity basis from that DI Scheme member.

(12) Any DI Scheme member which is aggrieved by a decision of the Authority to impose a financial penalty under subsection (6) may, within 30 days after the decision of the Authority, appeal in writing to the Minister whose decision is final and must be given effect to by the Authority.

(13) To avoid doubt, the period of limitation referred to in subsection (9) must not be postponed solely on account of an appeal under subsection (12).

PART 3

DEPOSIT INSURANCE FUND

Reconstitution of Deposit Insurance Fund

9.—(1) For the purposes of this Act, the Deposit Insurance Fund continues and is reconstituted in accordance with this Act.

(2) The following must be paid into the DI Fund:

- (a) all premium contributions, additional premium contributions and late payment fees paid by DI Scheme members under this Act;
- (b) all moneys borrowed by the Agency for the purpose of performing its functions in respect of the DI Scheme under this Act;
- (c) all moneys recovered by the Agency from, or out of the assets of, failed DI Scheme members;
- (d) any interest, dividend and other income derived from the investment of the moneys in the DI Fund;
- (e) all moneys paid to or recovered by the Authority as a financial penalty under section 8;
- (f) all other moneys lawfully paid into the DI Fund.

(3) The DI Fund must be used for the objects and purposes of the DI Scheme as provided in this Act.

(4) The DI Fund may also be used to support a resolution measure in relation to a DI Scheme member.

[31/2017]

(5) The DI Fund must, subject to the directions of the Minister, be controlled and administered by the Agency, and must be maintained by the Agency separately and apart from the PPF Life Fund and the PPF General Fund.

(6) To avoid doubt, the DI Fund is not a fund of the Agency or the Authority.

Withdrawal and application of moneys of DI Fund

10.—(1) In carrying out the objects and purposes of the DI Scheme, the moneys in the DI Fund may be withdrawn and applied as the Agency considers proper for all or any of the following purposes only:

- (a) the payment of all expenses incurred in or incidental to —
 - (i) the reconstitution and maintenance of the DI Scheme;
 - (ii) the administration and management of the DI Fund;
 - (iii) the administration and management of the Agency and the performance of the duties and functions of the Agency in respect of the DI Scheme under this Act;
 - (iv) the conduct of any investigation by the Agency for the purpose of determining the entitlement of insured depositors to any compensation; and
 - (v) the submission by the Agency to the liquidator of a failed DI Scheme member that is being wound up of any consolidated proof of debt on behalf of insured depositors in relation to each of their insured deposits placed with the failed DI Scheme member that exceeds the Maximum DI Coverage;
- (b) the payment of any fees to agents appointed by the Agency for the purposes of carrying out any services in respect of the DI Scheme under this Act;
- (c) the repayment of any moneys borrowed by the Agency for the purpose of performing its functions and the payment of any expenses and interest incurred in connection with the moneys borrowed;
- (d) the withdrawal of all other moneys authorised or determined to be paid out of the DI Fund in accordance with this Act.

[31/2018]

(2) The Agency may also withdraw moneys in the DI Fund in accordance with Part 5A to pay to the trustee of a resolution fund that is established under Division 5B of Part 4B of the Monetary Authority of Singapore Act 1970 to support a resolution measure undertaken in relation to a DI Scheme member.

[31/2017]

(3) Despite subsection (1), the Authority may recover from the Agency out of the DI Fund all expenses incurred by the Authority in connection with the discharge of the functions and responsibilities of the Authority under sections 8, 13, 14 and 15.

Investment of DI Fund

11.—(1) The Agency may invest any moneys in the DI Fund in all or any of the following:

- (a) any security issued by the Government or by the Authority;
- (b) Singapore dollar deposits placed with the Authority;
- (c) any debenture or debt security issued by Singapore Sukuk Pte. Ltd.;
- (d) such other investments, with the objects of capital preservation and maintenance of liquidity, as may be approved by the Minister.

(2) The Agency may delegate, subject to such conditions or restrictions as it thinks fit, all or any of its powers and functions under subsection (1) to such employee or agent as it may appoint.

(3) The Agency may pay to any person appointed under subsection (2) a reasonable fee for any service rendered in exercise of any power and function delegated to that person under that subsection.

(4) The Agency may continue to exercise any power conferred upon it or perform any function under subsection (1) despite the delegation of such power or function to an employee or agent under this section.

PART 4

PREMIUM CONTRIBUTIONS FOR DI SCHEME

Premium contributions payable by DI Scheme members

12.—(1) Every DI Scheme member must pay a premium contribution for any premium year or part thereof in respect of the insured deposits placed with the DI Scheme member.

(2) Subject to the provisions of this Act, the premium contribution is such amount as may be computed by the Authority under section 13.

(3) The premium year for the DI Scheme is such period as may be prescribed in regulations made under subsection (4).

(4) The Authority may make regulations for the purpose of prescribing the premium year.

Determination of premium rates and premium contributions

13.—(1) The Authority must assess and determine the premium rates for the purposes of computing the premium contributions payable by DI Scheme members.

(2) The Authority must, on the basis of the premium rates determined under subsection (1) and the insured deposit base of a DI Scheme member, compute the amount of premium contribution payable by the DI Scheme member for any premium year or part thereof.

(3) For the purposes of assessing and determining the premium rates and computing the amounts of premium contributions payable, the Authority may, in consultation with the Agency, make regulations for or in respect of all or any of the following matters:

- (a) the establishment of a system of classifying DI Scheme members into different categories;
- (b) the criteria and procedure for determining the category in which a DI Scheme member is to be classified;
- (c) the prescribing of the premium rate applicable to each category of DI Scheme members;

- (d) the manner in which the premium rate for each category of DI Scheme members is to be determined;
- (e) the prescribing of a minimum premium contribution payable by DI Scheme members;
- (f) the manner in which the amount of premium contribution for each category of DI Scheme members is to be determined;
- (g) the computation of premium contribution on a pro rata basis where a full bank or finance company becomes a DI Scheme member, or is no longer exempted from the requirement to be a DI Scheme member, at any time during a premium year;
- (h) the size of the DI Fund;
- (i) such other matters as the Authority considers necessary.

(4) Regulations made pursuant to or dealing with the matters referred to in subsection (3)(c) or (d) may provide for different premium rates for different categories of DI Scheme members.

(5) If the Authority wishes to amend or vary any regulations made under subsection (3), such regulations must not be amended or varied without consulting the Agency.

Notice of payment of premium contribution

14.—(1) Where the Authority has computed the amount of premium contribution payable by any DI Scheme member for any premium year or part thereof under section 13(2), the Authority must notify the Agency accordingly.

(2) Upon receipt of the notification referred to in subsection (1), the Agency must, within a reasonable time prior to the date on which the DI Scheme member is required to pay its premium contribution under the DI Scheme for that premium year or part thereof, give the DI Scheme member written notice of the amount of premium contribution payable and the date by which such premium contribution must be paid.

Additional premium contributions where DI Fund insufficient to pay compensation

15.—(1) Where, in the opinion of the Authority, there are insufficient moneys in the DI Fund to pay any compensation due to insured depositors under this Act, the Authority may, with the concurrence of the Agency, determine —

- (a) that DI Scheme members be required to pay additional premium contributions for any premium year or part thereof; and
- (b) the premium rate or rates for the purposes of computing the additional premium contributions.

(2) Where a determination is made under subsection (1) —

- (a) the Authority must, as soon as practicable —
 - (i) publish a notice in the *Gazette* of the requirement to pay additional premium contributions and the premium rate or rates for the purposes of computing the additional premium contributions referred to in subsection (1); and
 - (ii) compute the additional premium contributions payable by DI Scheme members for that premium year or part thereof and notify the Agency accordingly; and
- (b) the Agency must, upon receipt of the notification referred to in paragraph (a)(ii), give written notice to every DI Scheme member of the additional premium contribution that that DI Scheme member is required to pay for that premium year or part thereof and the date by which the additional premium contribution must be paid.

(3) Despite subsections (1) and (2), no DI Scheme member may, without the prior approval of the Minister, be required to pay additional premium contribution for any premium year exceeding such percentage of the insured deposit base of that DI Scheme member as the Minister may by order in the *Gazette* prescribe.

(4) For the purposes of subsection (3), the insured deposit base of any DI Scheme member must be determined on such date as the Authority may notify in the *Gazette* for computing the amounts of additional premium contributions payable by DI Scheme members.

Payment of premium contributions and late payment fees

16.—(1) Where any DI Scheme member is given written notice to pay any premium contribution under section 14(2) or any additional premium contribution under section 15(2) for any premium year or part thereof, the DI Scheme member must pay to the Agency on or before the date of payment specified in the notice, the amount of premium contribution or additional premium contribution (as the case may be) that the DI Scheme member is required to pay for that premium year or part thereof.

(2) Subject to subsection (3), if a DI Scheme member fails to pay the premium contribution or additional premium contribution or any part thereof on or before the date of payment specified in the notice in contravention of subsection (1) —

- (a) the Agency may, by written notice, impose on the DI Scheme member such late payment fee as the Agency may by Rules determine; and
- (b) the DI Scheme member must pay to the Agency such late payment fee together with the unpaid premium contribution or additional premium contribution (as the case may be) on or before the date of payment specified in the notice under paragraph (a).

(3) The late payment fee referred to in subsection (2) must not exceed the amount of premium contribution or additional premium contribution (as the case may be) owing by the DI Scheme member.

(4) The amount of premium contribution or additional premium contribution owing by the DI Scheme member and the late payment fee must be paid in such manner as may be specified in the Rules.

(5) Without affecting any other remedy, any premium contribution, additional premium contribution or late payment fee payable under

this Act is recoverable as a debt due to the Agency by the DI Scheme member.

(6) Where the Agency has commenced any legal proceedings in a court in Singapore to recover any premium contribution, additional premium contribution or late payment fee from a DI Scheme member, the Agency is entitled to claim costs on a full indemnity basis from that DI Scheme member.

Power to refund or remit premium contributions, etc.

17. The Agency may, with the approval of the Minister, refund or remit in whole or in part any premium contribution or additional premium contribution paid or payable by any DI Scheme member under this Act.

Refund of premium contributions, etc., paid in excess

18.—(1) Where it appears to the Authority that a DI Scheme member has paid any premium contribution or additional premium contribution in excess of the amount payable under this Act, the Authority must notify the Agency accordingly.

(2) Upon receipt of the notification referred to in subsection (1), the Agency must refund to the DI Scheme member the amount of premium contribution or additional premium contribution paid in excess.

Re-computation of premium contributions and additional premium contributions

19.—(1) Where it appears to the Authority —

- (a) that the premium contribution for any premium year or part thereof —
 - (i) computed by the Authority under section 13(2) and notified to the Agency under section 14(1); or
 - (ii) in respect of which a DI Scheme member has been required to pay under section 14(2) or has so paid; or
- (b) that the additional premium contribution for any premium year or part thereof —

- (i) computed by the Authority and notified to the Agency under section 15(2)(a); or
- (ii) in respect of which a DI Scheme member has been required to pay under section 15(2)(b) or has so paid,

is of an amount less than that which ought to have been computed, imposed or paid (called in this section the shortfall), the Authority may at any time during a period of 6 years after the premium year during which there is a shortfall, re-compute such amount of premium contribution or additional premium contribution which ought to have been computed, imposed or paid (as the case may be) under this Act.

(2) Sections 14, 15 and 16 apply, with the necessary modifications, to any amount of premium contribution or additional premium contribution re-computed under subsection (1) and the recovery of any shortfall in premium contribution or additional premium contribution upon a re-computation under that subsection as if the reference to premium contribution or additional premium contribution were a reference to the shortfall amount which is the difference between —

- (a) the amount of premium contribution or additional premium contribution as re-computed; and
- (b) the amount of premium contribution or additional premium contribution that was originally computed, imposed or paid (as the case may be) under this Act.

Disclosure of information relating to premium contributions

20.—(1) Subject to subsections (2) and (3), no DI Scheme member or officer of any DI Scheme member may disclose to any person —

- (a) the premium rate applicable to that DI Scheme member;
- (b) the category in which that DI Scheme member is classified pursuant to section 13;
- (c) where the system of classifying DI Scheme members incorporates a rating of that DI Scheme member based on the assessment by the Authority of the risks arising from

the activities of that DI Scheme member, the rating of that DI Scheme member; and

- (d) any information which if disclosed, would enable any of the information referred to in paragraph (a), (b) or (c) to be identified or deduced.

(2) Despite subsection (1), a DI Scheme member or any officer of a DI Scheme member may disclose to —

- (a) any director or other officer of that DI Scheme member;
- (b) in the case where the DI Scheme member is a full bank, the head office, parent bank or parent supervisory authority of that DI Scheme member; or
- (c) such other person or class of persons as the Authority may approve,

any of the matters referred to in subsection (1) where such disclosure is necessary for the performance of the duties of the person referred to in paragraph (a), (b) or (c), as the case may be.

(3) No person to whom any DI Scheme member or an officer of any DI Scheme member has disclosed information pursuant to subsection (2) may disclose that information to any other person except as approved by the Authority.

(4) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

PART 5

COMPENSATION UNDER DI SCHEME

Occurrence of events precipitating payment of compensation

21.—(1) Where, on or after 1 May 2011 —

- (a) an order is made by a court in Singapore or elsewhere to wind up a DI Scheme member;

- (b) a DI Scheme member is wound up voluntarily under the Insolvency, Restructuring and Dissolution Act 2018 or under the law of a country or territory outside Singapore; or
- (c) the Authority is of the opinion that a DI Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments,

the Authority may determine that compensation be paid out of the DI Fund to the insured depositors of the DI Scheme member in accordance with this Act.

[31/2018; 40/2018]

(2) Where the Authority determines that compensation be paid out of the DI Fund under subsection (1), the Authority must immediately give written notice to the Agency of its determination.

(3) The written notice referred to in subsection (2) must be in such form and contain such information as may be agreed between the Authority and the Agency.

(4) The Agency must, as soon as practicable upon receiving the notice referred to in subsection (2), publish a notice in the *Gazette* stating that a payment of compensation is to be made out of the DI Fund.

Entitlement to compensation

22.—(1) Subject to subsection (5) and section 23, where an insured depositor has one or more insured deposits placed with a failed DI Scheme member (other than any moneys denominated in Singapore dollars placed with the failed DI Scheme member under the CPFIS and CPFERS), which —

- (a) the insured depositor holds in the insured depositor's own right;
- (b) the insured depositor holds in the insured depositor's own right jointly with one or more other persons in a joint account;
- (c) the insured depositor holds in the name of the insured depositor's sole-proprietorship; or

(d) consists of moneys denominated in Singapore dollars placed with the failed DI Scheme member under the Supplementary Retirement Scheme,

the insured depositor is entitled to compensation from the DI Fund computed on the basis of the aggregate amount, as at the quantification date, of such insured deposits falling within paragraphs (a), (b), (c) and (d), and such compensation must not exceed the aggregate amount of such insured deposits or the Maximum DI Coverage, whichever is lower.

[26/2016]

(2) Where any insured depositor has one or more insured deposits placed with a failed DI Scheme member (other than moneys denominated in Singapore dollars placed with the failed DI Scheme member under the CPFIS and CPFERS) which the insured depositor holds in an account as trustee under a trust or holds in a client account, the insured depositor is entitled, in respect of every such account, to compensation from the DI Fund, not exceeding the amount of such insured deposits in that account or the Maximum DI Coverage, whichever is lower.

[26/2016]

(3) For the purposes of subsection (2), where there are 2 or more insured depositors holding any insured deposit in an account under a trust or in a client account jointly, the compensation referred to in subsection (2) must be divided equally among those insured depositors and paid accordingly.

(4) Where any insured deposit of any insured depositor placed with a failed DI Scheme member consists of moneys denominated in Singapore dollars placed with the failed DI Scheme member under the CPFIS or CPFERS, such moneys must not be aggregated with the insured depositor's other insured deposits placed with that failed DI Scheme member for the purposes of determining the amount of compensation that the insured depositor is entitled to, and the insured depositor is entitled, in respect of moneys denominated in Singapore dollars placed with the failed DI Scheme member under the CPFIS and CPFERS, to compensation from the DI Fund, not exceeding the

amount of such moneys placed with the failed DI Scheme member or the Maximum DI Coverage, whichever is lower.

[26/2016]

(5) Where an insured depositor has one or more prescribed products placed with a failed DI Scheme member, which the Minister has, by order in the *Gazette*, determined to be subject to separate coverage under the DI Scheme (called in this section the firstmentioned prescribed products), whether on their own or in aggregation with other prescribed products (called in this section the other prescribed products) —

(a) the insured depositor is entitled to compensation from the DI Fund computed on the basis of the aggregate amount, as at the quantification date —

(i) of the firstmentioned prescribed products; or

(ii) of the firstmentioned prescribed products in aggregation with the other prescribed products,

as the case may be; and

(b) such compensation must not exceed —

(i) in the case where the firstmentioned prescribed products are subject to separate coverage on their own, the aggregate of the amounts of all the firstmentioned prescribed products held by the insured depositor or the Maximum DI Coverage, whichever is lower; or

(ii) in the case where the firstmentioned prescribed products are to be aggregated with the other prescribed products, the aggregate of the amounts of all the prescribed products held by the insured depositor or the Maximum DI Coverage, whichever is lower.

(6) For the purposes of determining the amount of compensation which an insured depositor is entitled under this section, the liabilities (if any) that are owing from the insured depositor to the failed DI Scheme member are disregarded.

- (7) Despite the provisions in this section —
- (a) in the case of an insured depositor who is deceased, the Agency must pay the compensation to the personal representatives of the deceased insured depositor;
 - (b) in the case where a final order under Order 49, Rule 1 of the Rules of Court has been made with respect to the insured deposit pursuant to an order to show cause served on the failed DI Scheme member prior to the quantification date, the Agency must pay the whole or part (as the case may be) of the compensation to the judgment creditor in favour of whom the final order is made; and
 - (c) the Agency must pay the compensation to such other persons in such circumstances as the Minister may prescribe.

Deposits in own right and joint accounts

23.—(1) Where an insured depositor holds any insured deposit in the insured depositor's own right, the insured depositor is entitled, in respect of the insured deposit as at the quantification date, to compensation from the DI Fund.

(2) Where there are 2 or more insured depositors holding any insured deposit, each of those insured depositors is entitled, in respect of each insured depositor's share in the insured deposit as at the quantification date, to compensation from the DI Fund.

(3) For the purposes of determining the share of any insured depositor in an insured deposit under subsection (2), each insured depositor holding such insured deposit is deemed to have an equal share in the insured deposit unless there is an express provision to the contrary in the books of the failed DI Scheme member.

(4) To avoid doubt, subsection (3) does not affect any rights as between the persons holding such insured deposit themselves.

Restrictions on entitlement to compensation under DI Scheme

24. Where the Agency has paid an insured depositor the full amount of compensation payable to the insured depositor or any person

referred to in section 22(7) or both (as the case may be) in respect of the insured depositor's insured deposits, in accordance with this Act, no other person is entitled, in respect of those same insured deposits, to compensation under this Part.

Computation and method of payment of compensation under DI Scheme

25.—(1) The Agency must compute the amount of compensation due to any insured depositor in respect of the insured depositor's insured deposits placed with a failed DI Scheme member in accordance with this Act.

(2) In determining the eligibility and entitlement of any insured depositor to compensation and computing the amount of compensation due to any insured depositor, the Agency is entitled to rely on the books of the failed DI Scheme member and any other books which, in the opinion of the Agency, are relevant for such determination and computation.

(3) Subject to subsection (4), the Agency must pay the compensation in such form and manner as may be specified in the Rules.

(4) The Authority may make regulations for the purposes of payment of compensation by the Agency.

(5) Without limiting subsection (4), such regulations may —

- (a) specify the person to whom, or the account into which, payment of compensation is to be made for the benefit of any insured depositor who is entitled to compensation under this Act;
- (b) provide for the payment of compensation in respect of any insured depositor holding insured deposits in different accounts;
- (c) provide for the payment of compensation into an equivalent account with another DI Scheme member and for such compensation to be held in that account in a manner equivalent to the manner of holding of the original insured deposit; and

- (d) provide for the treatment of any transfer order which has not been cleared and settled under the Rules of a payment system, in the computation of compensation due to any insured depositor who is entitled to compensation under this Act.

[31/2018]

(6) In subsection (5)(d), “transfer order” and “Rules” have the meanings given by the Payment and Settlement Systems (Finality and Netting) Act 2002.

[31/2018]

Merger or consolidation of, or acquisition by, DI Scheme members

26.—(1) Where —

- (a) a DI Scheme member merges or consolidates with another DI Scheme member; or
- (b) a DI Scheme member (called in this section the acquiring DI Scheme member) acquires the deposit-taking business of another DI Scheme member to form part of the business of the acquiring DI Scheme member,

and there is a subsequent failure of the merged or consolidated DI Scheme member or acquiring DI Scheme member (as the case may be) within one year after the date of the merger, consolidation or acquisition (called in this section the additional cover period), any insured depositor, who has insured deposits placed with both of the original DI Scheme members immediately before the merger, consolidation or acquisition (as the case may be) is entitled to compensation in accordance with this Act as if the merger, consolidation or acquisition did not take place; and in respect of the insured depositor’s insured deposits with each of the original DI Scheme members, is entitled to compensation of an amount not exceeding the Maximum DI Coverage or the amount of insured deposits placed with the relevant DI Scheme member, whichever is lower.

(2) The Minister may extend the additional cover period for the insured deposits under subsection (1) —

- (a) where the Minister is satisfied that it is in the interest of the insured depositors of any DI Scheme member or the public to do so; or
- (b) to maintain financial stability in Singapore.

Subrogation

27.—(1) Upon payment out of the DI Fund of any compensation under this Act to, or for the benefit of, any insured depositor in respect of the insured depositor's insured deposit or any person referred to in section 22(7) in respect of that insured deposit, the Agency is subrogated to the extent of such payment to all the rights and remedies of —

- (a) the insured depositor;
- (b) the person who received the compensation on behalf of the insured depositor;
- (c) the person referred to in section 22(7);
- (d) in the case where payment is made to an insured depositor who is a trustee, the trustee; or
- (e) in the case where payment is made to an insured depositor who held the insured deposit in a client account, that insured depositor,

as the case may be, in respect of the insured deposit in priority over —

- (f) the rights and remedies of the insured depositor, the person who received the compensation on behalf of the insured depositor or the person referred to in section 22(7) (as the case may be) in relation to that insured deposit; and
- (g) the rights and remedies of any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of any of the persons referred to in paragraphs (a), (b), (c), (d) and (e) in relation to that insured deposit,

and may maintain an action in respect of those rights and remedies in the name of the person referred to in paragraph (a), (b), (c), (d) or (e)

(as the case may be) or in the name of the Agency, subject to subsection (2).

(2) Where the Agency maintains an action in respect of the rights and remedies in the name of the person referred to in subsection (1)(a), (b), (c), (d) or (e) (as the case may be) the following provisions apply:

- (a) in the case where the failed DI Scheme member is not wound up, the Agency is entitled to recover the full amount of compensation claimed against the failed DI Scheme member, despite any liabilities owing by the insured depositor to the DI Scheme member;
- (b) in the case where the failed DI Scheme member is wound up, the insolvency rules relating to set-off do not apply in relation to the rights and remedies of the insured depositor.

(3) For the purposes of subsection (1), where the Agency is unable to effect payment to an insured depositor (due to incorrect or outdated addresses, in respect of accounts which are dormant or any other reasons beyond the reasonable control of the Agency), the Agency is deemed to have made payment out of the DI Fund of compensation under this Act to, or for the benefit of, an insured depositor in respect of the insured depositor's insured deposit, if the Agency makes payment of the compensation to the Public Trustee appointed under the Public Trustee Act 1915 to be held on trust for the insured depositor.

(4) The persons referred to in paragraphs (a), (b), (c), (d) and (e) of subsection (1), or any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of those persons, is not entitled to receive any amount from, or out of, the assets of the failed DI Scheme member until the Agency has been reimbursed in full the amount of compensation paid to those persons and any expenses under subsection (5).

(5) Despite any provision in the Insolvency, Restructuring and Dissolution Act 2018, the Agency is entitled —

- (a) in the case where the failed DI Scheme member is wound up, to be reimbursed out of the assets of the failed

DI Scheme member for the expenses incurred for or in respect of —

- (i) the payment of any compensation to any insured depositor, including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation to any insured depositor under the DI Scheme;
 - (ii) the lodging of any claim with the liquidator of the failed DI Scheme member for any compensation that has been paid out to any insured depositor;
 - (iii) any communication with any insured depositor and the public on, or relating to, the payment of any compensation to any insured depositor under the DI Scheme; and
 - (iv) such other matters as may be prescribed by the Authority; and
- (b) in any other case, to be reimbursed by the failed DI Scheme member or the provisional liquidator of the failed DI Scheme member (as the case may be) for the expenses incurred for or in respect of —
- (i) the payment of any compensation to any insured depositor, including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation to any insured depositor under the DI Scheme;
 - (ii) the lodging of any claim with the provisional liquidator of the failed DI Scheme member for any compensation that has been paid out to any insured depositor;
 - (iii) any communication with any insured depositor and the public on, or relating to, the payment of any compensation to any insured depositor under the DI Scheme; and

- (iv) such other matters as may be prescribed by the Authority.

[31/2018; 40/2018]

(6) The Authority may by regulations —

- (a) provide for the manner, process or method by which the Agency may exercise its rights to be subrogated to the rights and remedies as set out in subsection (1); and
- (b) prescribe the matters mentioned in subsection (5)(a)(iv) and (b)(iv).

[31/2018]

(7) For the purposes of making payment of compensation by the Agency to the Public Trustee under subsection (3) and payment of compensation by the Public Trustee to insured depositors and any person referred to in section 22(7), the Authority may, with the Public Trustee's concurrence and in consultation with the Agency, make regulations for or in respect of all or any of the following matters:

- (a) the manner in which moneys paid by the Agency to the Public Trustee are to be paid to insured depositors or any person referred to in section 22(7);
- (b) the fees to be paid by the Agency to the Public Trustee and the manner of payment of such fees;
- (c) such other matters as the Authority considers necessary.

(8) The provisions in the Fifth Schedule apply in relation to the holding and payment of compensation under this Act by the Public Trustee to insured depositors and any person referred to in section 22(7).

(9) If the Authority wishes to amend or vary any regulations made under subsection (7), the Authority must first conduct a joint review with the Public Trustee and such regulations must not be amended or varied without the Public Trustee's concurrence and consulting the Agency.

**Recovery of compensation paid in excess or in error under
DI Scheme**

28.—(1) If —

- (a) any compensation paid to, or for the benefit of, an insured depositor out of the DI Fund is in excess of what ought to have been paid to the insured depositor under this Act; or
- (b) any compensation is paid in error to any person,

the Agency may recover the amount paid in error or excess from the person who received the compensation, in such manner and within such period as may be specified by the Agency to that person.

(2) Without affecting any other remedy, any amount paid in error or excess to any person is recoverable as a debt due to the Agency by that person.

(3) Despite any provision in the Limitation Act 1959, an action to recover any amount paid in error or excess to any person recoverable by virtue of this section must not be brought after the expiry of the period during which the action may be brought against the person under the Limitation Act 1959 or the date of completion of the winding up of the failed DI Scheme member, whichever is later.

(4) Upon the recovery of any amount paid in error or excess from any person under this section (called in this section the recovered amount), the Agency must do the following:

- (a) in the case where the failed DI Scheme member is not wound up or where the winding up of the failed DI Scheme member has not completed and the Agency has not recovered or has not recovered in full from the failed DI Scheme member or its liquidator (as the case may be) the compensation which it paid out to the insured depositors, the Agency must deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the DI Fund, and pay the amount remaining from the recovered amount after the deduction (if any) to the failed DI Scheme member or its liquidator, as the case may be;

- (b) in the case where the failed DI Scheme member is not wound up or where the winding up of the failed DI Scheme member has not completed and the Agency has recovered from the failed DI Scheme member or its liquidator (as the case may be) in full the compensation which it paid out to the insured depositors, the Agency must pay the recovered amount to the failed DI Scheme member or its liquidator, as the case may be;
- (c) in the case where the winding up of the failed DI Scheme member has completed and the Agency has not recovered or has not recovered in full from the liquidator the compensation which it paid out to the insured depositors, the Agency must deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the DI Fund, and pay the amount remaining from the recovered amount after the deduction (if any) to the Official Receiver to be placed to the credit of the Companies Liquidation Account;
- (d) in the case where the winding up of the failed DI Scheme member has completed and the Agency has recovered from the liquidator in full the compensation which it paid out to the insured depositors, the Agency must pay the recovered amount to the Official Receiver to be placed to the credit of the Companies Liquidation Account.

(5) Section 197(4), (7), (8), (9) and (10) of the Insolvency, Restructuring and Dissolution Act 2018 applies, with the necessary modifications, to the money paid to the Official Receiver under subsection (4)(c) and (d).

[40/2018]

Duties of liquidators in winding up of DI Scheme member

28A.—(1) A person who —

- (a) is appointed as a liquidator under the Insolvency, Restructuring and Dissolution Act 2018 for the winding up of a DI Scheme member; and

(b) has been approved by the Authority as such under section 54(4) of the Monetary Authority of Singapore Act 1970,

(called in this section the liquidator) must, in carrying out its functions as a liquidator, work together with the Agency to ensure that any insured depositor who is entitled to receive compensation from the DI Fund receives payment from the Agency as soon as is reasonably practicable.

[31/2018; 40/2018]

(2) The Authority may, by written notice to the liquidator, require the liquidator to give the Agency such information and reasonable assistance as the Authority considers necessary —

- (a) to ensure that any insured depositor who is entitled to receive compensation from the DI Fund receives payment from the Agency as soon as is reasonably practicable; and
- (b) to enable the Agency to fulfil its objects and discharge its functions under this Act.

[31/2018]

(3) Despite any written law or rule of law but subject to subsection (4), the liquidator must not, without the prior written approval of the Authority, sell or transfer any assets of the DI Scheme member being wound up to —

- (a) any person who provides services in connection with the winding up of the DI Scheme member; or
- (b) any person working for or on behalf of —
 - (i) the Agency;
 - (ii) the Authority; or
 - (iii) a person mentioned in paragraph (a).

[31/2018]

(4) Subsection (3) does not prevent the payment by the liquidator of any debt of the DI Scheme member being wound up in accordance with any written law or rule of law relating to the winding up of companies.

[31/2018]

(5) Any sale or transfer of assets by the liquidator in contravention of subsection (3) is void.

[31/2018]

(6) Any liquidator who —

- (a) without reasonable excuse, fails to comply with subsection (1), or any notice issued by the Authority under subsection (2); or
- (b) being required to provide information to the Agency under subsection (2), knowingly or recklessly provides any information or document that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

[31/2018]

Powers of liquidator in respect of claims against insured depositor

29.—(1) Subject to subsection (3), despite any written law or rule of law, where —

- (a) the Agency has paid compensation to an insured depositor or any person referred to in section 22(7) out of the DI Fund in accordance with this Act;
- (b) such compensation is, or will be, accorded priority in the event of the winding up of the failed DI Scheme member under section 62 of the Banking Act 1970 or section 44A of the Finance Companies Act 1967, as the case may be; and
- (c) the failed DI Scheme member has one or more existing claims against the insured depositor,

the liquidator may bring legal proceedings with respect to those claims in the name, and on behalf, of the failed DI Scheme member against the insured depositor or any person who received compensation on behalf of the insured depositor, to recover such

moneys as may be necessary to put the failed DI Scheme member into the position it would have been as against the insured depositor with respect to those claims, if —

- (d) the Agency had not paid out any compensation or been accorded priority under section 62 of the Banking Act 1970 or section 44A of the Finance Companies Act 1967 (as the case may be) in respect of the compensation paid to the insured depositor; and
- (e) the liquidator had applied the same rules with regard to the respective rights of debts provable and the valuation of future and contingent liabilities as are in force for the time being under the law relating to bankruptcy in relation to the estates of persons adjudged bankrupt, as if the failed DI Scheme member were a person so adjudged.

(2) Such moneys are recoverable as a debt due to the failed DI Scheme member by the insured depositor or any person who received compensation on behalf of the insured depositor.

(3) This section does not apply to any moneys held by the Public Trustee pursuant to any payment of compensation by the Agency under section 27(3).

PART 5A

WITHDRAWAL IN SUPPORT OF RESOLUTION MEASURE FOR DI SCHEME MEMBER

Determination of Authority

29A.—(1) For the purposes of supporting a resolution measure undertaken for a DI Scheme member and other matters relating to the measure, the Authority may, with the Minister's approval, make a determination that an amount is to be paid out of the DI Fund and given to the trustee of the resolution fund for which the resolution measure was established.

[31/2017]

(2) The amount to be paid out of the DI Fund must not exceed the amount of compensation that would have been paid out of the DI Fund to the insured depositors of the DI Scheme member under

Part 5 if a determination for such compensation had been made under section 21, after taking into account any amounts that the Agency would have been repaid from or out of the assets of the DI Scheme member under section 27.

[31/2017]

(3) Where the Authority determines that an amount is to be paid out of the DI Fund for the purpose mentioned in subsection (1), the Authority must immediately give a written notice to the Agency of its determination.

[31/2017]

(4) The notice mentioned in subsection (3) must be in such form and contain such information as may be agreed between the Authority and the Agency.

[31/2017]

(5) The Agency must, as soon as practicable upon receiving the notice mentioned in subsection (3), publish a notice in the *Gazette* to the effect that a payment is to be made from the DI Fund for the purpose mentioned in subsection (1).

[31/2017]

Regulations for this Part

29B. The Authority may, in consultation with the Agency and with the approval of the Minister, make regulations for the purpose of section 29A, including for the following matters:

- (a) the procedure for making payments out of or to the DI Fund;
- (b) the manner of determining, for the purposes of section 29A(2), the amounts that the Agency would have been repaid from or out of the assets of the DI Scheme member under section 27.

[31/2017]

PART 6

POLICY OWNERS' PROTECTION SCHEME

Establishment of Policy Owners' Protection Scheme

30. A scheme called the Policy Owners' Protection Scheme is established for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by PPF Scheme members and for securing the continuity of insurance for insured policy owners as far as reasonably practicable.

Membership of PPF Scheme

31.—(1) Every relevant insurer which is not exempted under section 32 is a PPF Scheme member so long as it is licensed by the Authority to carry on insurance business under the Insurance Act 1966.

[11/2013]

(2) Every relevant insurer which is licensed to carry on insurance business under the Insurance Act 1966 immediately before 1 May 2011, is deemed to be a PPF Scheme member from that date.

[11/2013]

(3) Every relevant insurer which is licensed to carry on insurance business under the Insurance Act 1966 on or after 1 May 2011, is a PPF Scheme member from the date on which it is licensed.

[11/2013]

Exemption from PPF Scheme membership

32.—(1) Any relevant insurer may apply in writing to the Authority to be exempted from the requirement under section 31(1) to be a PPF Scheme member.

(2) Upon application by a relevant insurer under subsection (1), the Authority may, subject to subsection (4), exempt the relevant insurer from the requirement under section 31(1), and notice of such exemption must be published in the *Gazette*.

(3) The Authority may require the applicant to provide the Authority with such information or documents as the Authority considers necessary in relation to the application.

(4) Without limiting subsection (2), the Authority must, in determining whether to grant an exemption under subsection (2), have regard to —

- (a) the scope of insurance business conducted by the applicant in Singapore;
- (b) in the case of any applicant which is a direct insurer licensed to carry on general business, whether or not that applicant issues any insured policy;
- (c) in the case of any applicant which is incorporated in a jurisdiction other than Singapore —
 - (i) whether the policies issued by the applicant's branches and offices located within Singapore are insured by a policy owners' protection scheme, or any other scheme of a similar nature, established and maintained in the jurisdiction in which the applicant is incorporated (called in this section the foreign scheme); and
 - (ii) whether the scope and level of protection available to those policies under the foreign scheme are not less than the scope and level of protection that would be available to the policies under the PPF Scheme if those policies were insured by the PPF Scheme.

[11/2013]

(5) The Authority may, when granting any exemption under subsection (2), impose on the PPF exempt member by written notice such conditions or restrictions relating to the exemption as the Authority may think fit.

(6) The Authority may at any time —

- (a) by written notice to a PPF exempt member, add to, vary or revoke any existing condition or restriction imposed by the Authority under subsection (5); or
- (b) by written notice to every PPF exempt member in a particular class of such PPF exempt members impose such conditions or restrictions as the Authority may think fit on the class.

(7) Every PPF exempt member must comply with all the conditions and restrictions imposed on it under subsections (5) and (6).

(8) Any PPF exempt member which contravenes subsection (7) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for every day or part of a day during which the offence continues after conviction.

Withdrawal of exemption from PPF Scheme

33.—(1) The Authority may withdraw the exemption granted to a PPF exempt member under section 32(2) if —

- (a) the PPF exempt member fails to comply with any condition or restriction imposed in respect of the exemption under section 32(5) or (6); or
- (b) the Authority considers it necessary to do so in the public interest.

(2) Before withdrawing any exemption under subsection (1), the Authority must —

- (a) give the PPF exempt member written notice of its intention to do so; and
- (b) in the notice referred to in paragraph (a), call upon the PPF exempt member to show cause, within such time as may be specified in the notice, why the exemption should not be withdrawn.

(3) If the PPF exempt member to whom a notice is given under subsection (2) —

- (a) fails to show cause within the time specified in the notice or within such extended period of time as the Authority may allow in any particular case; or
- (b) fails to show sufficient cause,

the Authority must give written notice to the PPF exempt member of the withdrawal of the exemption and the date on which such withdrawal is to take effect.

(4) Where a withdrawal of exemption becomes effective, the Authority must publish a notice of the withdrawal in the *Gazette*.

PART 7

POLICY OWNERS' PROTECTION LIFE FUND AND
POLICY OWNERS' PROTECTION GENERAL FUND

**Establishment of Policy Owners' Protection Life Fund and
Policy Owners' Protection General Fund**

34.—(1) There are established under the PPF Scheme 2 funds called —

- (a) the Policy Owners' Protection Life Fund to cover insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on life business; and
- (b) the Policy Owners' Protection General Fund to cover insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on general business.

[11/2013]

(2) The following must be paid into the PPF Life Fund:

- (a) all levies, additional levies and late payment fees paid by PPF Scheme members under this Act in respect of the insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on life business;
- (b) all moneys borrowed by the Agency for the purpose of performing its functions under this Act in respect of the insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on life business;
- (c) all moneys recovered by the Agency from, or out of the assets of, failed PPF Scheme members under this Act in respect of the PPF Scheme for life business;

- (d) any interest, dividend and other income derived from the investment of the moneys in the PPF Life Fund;
- (e) all other moneys lawfully paid into the PPF Life Fund.

[11/2013]

(3) The following must be paid into the PPF General Fund:

- (a) all levies, additional levies and late payment fees paid by PPF Scheme members under this Act in respect of the insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on general business;
- (b) all moneys borrowed by the Agency for the purpose of performing its functions under this Act in respect of the insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act 1966 by direct insurers licensed to carry on general business;
- (c) all moneys recovered by the Agency from, or out of the assets of, failed PPF Scheme members under this Act in respect of the PPF Scheme for general business;
- (d) any interest, dividend and other income derived from the investment of the moneys in the PPF General Fund;
- (e) all other moneys lawfully paid into the PPF General Fund.

[11/2013]

(4) The PPF Life Fund and the PPF General Fund must be used for the objects and purposes of the PPF Scheme as provided in this Act, and must, subject to the directions of the Minister, be controlled and administered by the Agency.

(5) The PPF Life Fund must be maintained by the Agency separately and apart from the PPF General Fund and the DI Fund.

(6) The PPF General Fund must be maintained by the Agency separately and apart from the PPF Life Fund and the DI Fund.

(7) To avoid doubt, the PPF Life Fund and the PPF General Fund are not funds of the Agency or the Authority.

Withdrawal and application of moneys of PPF Life Fund and PPF General Fund

35.—(1) In carrying out the objects and purposes of the PPF Scheme, the moneys in the PPF Life Fund and the PPF General Fund may be withdrawn and applied as the Agency considers proper for all or any of the following purposes only:

- (a) all expenses incurred in or incidental to —
 - (i) the establishment and maintenance of the PPF Scheme;
 - (ii) the administration and management of the PPF Life Fund and the PPF General Fund;
 - (iii) the administration and management of the Agency and the performance of the duties and functions of the Agency in respect of the PPF Scheme under this Act;
 - (iv) the conduct of any investigation by the Agency for the purpose of determining the entitlement of any covered party to any compensation;
 - (v) the transfer of the whole or part of the insurance business of a failed PPF Scheme member to another insurer;
 - (vi) the run-off of the insurance business of a failed PPF Scheme member;
 - (vii) the termination of any insured policy issued by a failed PPF Scheme member; and
 - (viii) the raising and repayment of any loan for, or in connection with, any of the above expenses;
- (b) the payment of any fees to agents appointed by the Agency for the purposes of carrying out any services in respect of the PPF Scheme under this Act;
- (c) the repayment of any moneys borrowed by the Agency for the purpose of performing its functions and the payment of

any expenses and interest incurred in connection with the moneys borrowed;

- (d) the withdrawal of all other moneys authorised or determined to be paid out of the PPF Life Fund and the PPF General Fund in accordance with this Act.

[31/2018]

(2) Despite subsection (1), the Authority may recover from the Agency out of the PPF Life Fund and the PPF General Fund, all expenses incurred by the Authority in the establishment of the Agency and in connection with the discharge of the functions and responsibilities of the Authority under sections 38, 39 and 40.

Investment of PPF Life Fund and PPF General Fund

36.—(1) The Agency may invest any moneys in the PPF Life Fund and the PPF General Fund in all or any of the following:

- (a) any security issued by the Government or by the Authority;
- (b) Singapore dollar deposits placed with the Authority;
- (c) any debenture or debt security issued by Singapore Sukuk Pte. Ltd.;
- (d) such other investments, with the objects of capital preservation and maintenance of liquidity, as may be approved by the Minister.

(2) The Agency may delegate, on such conditions or restrictions as it thinks fit, all or any of its powers and functions under subsection (1) to such employee or agent as it may appoint.

(3) The Agency may pay to any person appointed under subsection (2) a reasonable fee for any service rendered in exercise of any power and function delegated to that person under that subsection.

(4) The Agency may continue to exercise any power conferred upon it or perform any function under subsection (1) despite the delegation of such power or function to an employee or agent under this section.

PART 8

LEVIES FOR PPF SCHEME

Levies payable by PPF Scheme members

37.—(1) Every PPF Scheme member must pay a levy for any premium year or part thereof in respect of the insured policies issued by the PPF Scheme member.

[31/2018]

(2) Subject to the provisions of this Act, the levy is of such amount as may be computed by the Authority under section 38.

(3) The premium year for the PPF Scheme is the period prescribed in regulations made under subsection (4).

(4) The Authority may make regulations for the purpose of prescribing the premium year.

Determination of levy rates and levies

38.—(1) The Authority must assess and determine the levy rates for the purposes of computing the levies payable by PPF Scheme members.

(2) The Authority must, on the basis of the levy rates determined under subsection (1) and —

(a) the aggregate protected liabilities of a PPF Scheme member, in respect of —

(i) insured policies covered under the PPF Life Fund; or

(ii) insured policies covered under the PPF General Fund where the PPF Scheme member is not taking in any new insurance business or renewing any existing insurance policy; or

(b) subject to paragraph (a)(ii), the gross premium income of a PPF Scheme member, in respect of insured policies covered under the PPF General Fund,

compute the amount of levy payable by the PPF Scheme member for any premium year or part thereof.

(3) For the purposes of assessing and determining the levy rates and computing the levies payable, the Authority may, in consultation with the Agency, make regulations for or in respect of all or any of the following matters:

- (a) the establishment of a system of classifying PPF Scheme members into different categories;
- (b) the criteria and procedure for determining the category in which a PPF Scheme member is to be classified;
- (c) the prescribing of the levy rate applicable to each category of PPF Scheme members;
- (d) the manner in which the levy rate for each category of PPF Scheme members is to be determined;
- (e) the prescribing of a minimum levy payable by PPF Scheme members;
- (f) the manner in which the amount of levy for each category of PPF Scheme members is to be determined;
- (g) the computation of levy payable on a pro rata basis where a life insurer or general insurer becomes a PPF Scheme member, or is no longer exempted from the requirement to be a PPF Scheme member, at any time during a premium year;
- (h) the size of the PPF Life Fund and the PPF General Fund;
- (i) such other matters as the Authority considers necessary.

(4) Regulations made pursuant to or dealing with the matters referred to in subsection (3)(c) or (d) may provide for different levy rates for different categories of PPF Scheme members.

(5) If the Authority wishes to amend or vary any regulations made under subsection (3), such regulations must not be amended or varied without consulting the Agency.

(6) For the purposes of computing the levies payable, insured policies covered under the PPF Life Fund must be classified into any of the categories in the Second Schedule.

Notice of payment of levy

39.—(1) Where the Authority has computed the amount of levy payable by any PPF Scheme member for any premium year or part thereof under section 38(2), the Authority must notify the Agency accordingly.

(2) Upon receipt of the notification referred to in subsection (1), the Agency must, within a reasonable time prior to the date on which the PPF Scheme member is required to pay its levy under the PPF Scheme for that premium year or part thereof, give the PPF Scheme member written notice of the amount of levy payable and the date by which such levy must be paid.

Additional levies where PPF Life Fund or PPF General Fund insufficient to pay compensation

40.—(1) Where, in the opinion of the Authority, there are insufficient moneys in the PPF Life Fund or the PPF General Fund (as the case may be) to pay any compensation due to any covered party, to fund any transfer or run-off of the insurance business of any failed PPF Scheme member, or to fund the termination of any insured policy issued by a failed PPF Scheme member under this Act, the Authority may, with the concurrence of the Agency, determine —

- (a) that PPF Scheme members are required to pay additional levies for any premium year or part thereof; and
- (b) the levy rate or rates for the purposes of computing the additional levies.

[31/2018]

(2) Where a determination is made under subsection (1) —

- (a) the Authority must, as soon as practicable —
 - (i) publish a notice in the *Gazette* of the requirement to pay additional levies and the levy rate or rates for the purposes of computing the additional levies referred to in subsection (1); and
 - (ii) compute the additional levies payable by PPF Scheme members for that premium year or part thereof and notify the Agency accordingly; and

(b) the Agency must, upon receipt of the notification referred to in paragraph (a)(ii), give written notice to every PPF Scheme member of the additional levy that that PPF Scheme member is required to pay for that premium year or part thereof and the date by which the additional levy must be paid.

(3) Despite subsections (1) and (2), no PPF Scheme member may, without the prior approval of the Minister, be required to pay additional levy for any premium year exceeding such percentage of the protected liabilities or gross premium income (as the case may be) of the PPF Scheme member as the Minister may, by order in the *Gazette*, prescribe.

(4) For the purposes of subsection (3), the insured policy base or gross premium income (as the case may be) of any PPF Scheme member must be determined on such date as the Authority may notify in the *Gazette* for computing the amounts of additional levies payable by PPF Scheme members.

Payment of levies and late payment fees

41.—(1) Where any PPF Scheme member is given written notice to pay any levy under section 39(2) or any additional levy under section 40(2) for any premium year or part thereof, the PPF Scheme member must pay to the Agency on or before the date of payment specified in the notice, the amount of levy or additional levy (as the case may be) that the PPF Scheme member is required to pay for that premium year or part thereof.

(2) Subject to subsection (3), if a PPF Scheme member fails to pay the levy or additional levy or any part thereof on or before the date of payment specified in the notice in contravention of subsection (1) —

(a) the Agency may, by written notice, impose on the PPF Scheme member such late payment fee as the Agency may by Rules determine; and

(b) the PPF Scheme member must pay to the Agency such late payment fee together with the unpaid levy or additional levy (as the case may be) on or before the date of payment specified in the notice under paragraph (a).

(3) The late payment fee referred to in subsection (2) must not exceed the amount of levy or additional levy (as the case may be) owing by the PPF Scheme member.

(4) The amount of levy or additional levy owing by the PPF Scheme member and the late payment fee must be paid in such manner as may be specified in the Rules.

(5) Without affecting any other remedy, any levy, additional levy or late payment fee payable under this Act is recoverable as a debt due to the Agency by the PPF Scheme member.

(6) Where the Agency has commenced any legal proceedings in a court in Singapore to recover any levy, additional levy or late payment fee from a PPF Scheme member, the Agency is entitled to claim costs on a full indemnity basis from that PPF Scheme member.

Power to refund or remit levies, etc.

42. The Agency may, with the approval of the Minister, refund or remit in whole or in part any levy or additional levy paid or payable by any PPF Scheme member under this Act.

Refund of levies, etc., paid in excess

43.—(1) Where it appears to the Authority that a PPF Scheme member has paid any levy or additional levy in excess of the amount payable under this Act, the Authority must notify the Agency accordingly.

(2) Upon receipt of the notification referred to in subsection (1), the Agency must refund to the PPF Scheme member the amount of levy or additional levy paid in excess.

Re-computation of levies and additional levies

44.—(1) Where it appears to the Authority —

(a) that the levy for any premium year or part thereof —

(i) computed by the Authority under section 38(2) and notified to the Agency under section 39(1); or

(ii) in respect of which a PPF Scheme member has been required to pay under section 39(2) or has so paid; or

(b) that the additional levy for any premium year or part thereof —

(i) computed by the Authority and notified to the Agency under section 40(2)(a); or

(ii) in respect of which a PPF Scheme member has been required to pay under section 40(2)(b) or has so paid,

is of an amount less than that which ought to have been computed, imposed or paid (called in this section the shortfall), the Authority may at any time during a period of 6 years after the premium year during which there is a shortfall, re-compute such amount of levy or additional levy which ought to have been computed, imposed or paid (as the case may be) under this Act.

(2) Sections 39, 40 and 41 apply, with the necessary modifications, to any amount of levy or additional levy re-computed under subsection (1) and the recovery of any shortfall in levy or additional levy upon a re-computation under that subsection as if the reference to levy or additional levy were a reference to the shortfall amount which is the difference between —

(a) the amount of levy or additional levy as re-computed; and

(b) the amount of levy or additional levy that was originally computed, imposed or paid (as the case may be) under this Act.

Disclosure of information relating to levies

45.—(1) Subject to subsections (2) and (3), no PPF Scheme member or officer of any PPF Scheme member may disclose to any person —

(a) the levy rate applicable to the PPF Scheme member;

(b) the category in which the PPF Scheme member is classified pursuant to section 38;

(c) where the system of classifying a PPF Scheme member incorporates a rating of the PPF Scheme member based on the assessment by the Authority of the risks arising from

the activities of the PPF Scheme member, the rating of the PPF Scheme member; and

- (d) any information which if disclosed, would enable any of the information referred to in paragraph (a), (b) or (c) to be identified or deduced.

(2) Despite subsection (1), a PPF Scheme member or an officer of a PPF Scheme member may disclose to —

- (a) any director or officer of the PPF Scheme member;
- (b) in the case where the PPF Scheme member is a branch, the head office, parent corporation or parent supervisory authority of the PPF Scheme member;
- (c) in the case where the PPF Scheme member is a company which is a subsidiary of a foreign corporation, the foreign corporation or the parent supervisory authority of the foreign corporation; or
- (d) such other person or class of persons as the Authority may approve,

any of the matters referred to in subsection (1) where such disclosure is necessary for the performance of the duties of the person referred to in paragraph (a), (b) or (c), as the case may be.

(3) No person to whom the PPF Scheme member or officer of the PPF Scheme member has disclosed information pursuant to subsection (2) may disclose that information to any other person except as approved by the Authority.

(4) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

PART 9

COMPENSATION AND USE OF PPF LIFE FUND AND
PPF GENERAL FUND

**Occurrence of events precipitating compensation or use of
PPF Life Fund and PPF General Fund**

46.—(1) Where —

- (a) on or after 1 September 2011, an order is made by a court in Singapore or elsewhere to wind up a PPF Scheme member;
- (b) on or after 1 April 2019, a PPF Scheme member is voluntarily wound up under the Insolvency, Restructuring and Dissolution Act 2018 or under the law of a country or territory outside Singapore;
- (c) on or after 1 April 2019, an order is made, in respect of a PPF Scheme member that is a co-operative society registered under the Co-operative Societies Act 1979, cancelling its registration under section 89(1) of that Act;
- (d) on or after 1 September 2011, the Authority is of the opinion that a PPF Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments; or
- (e) on or after 1 September 2011, the Authority is exercising or is likely to exercise, or has exercised, its powers under Part 4B of the Monetary Authority of Singapore Act 1970 in relation to a PPF Scheme member,

the Authority may determine that the PPF Life Fund or the PPF General Fund be utilised for one or more of the purposes mentioned in subsection (2).

[31/2018; 40/2018]

(2) The purposes mentioned in subsection (1) are —

- (a) to pay compensation out of the PPF Life Fund or the PPF General Fund to any covered party in accordance with this Act;

- (b) to fund, whether in whole or in part, the transfer of the whole or part of the business of the PPF Scheme member to another insurer;
- (c) to fund the run-off of the insurance business of the PPF Scheme member without taking in any new insurance business or renewing any existing policies (other than a policy which has a provision providing for guaranteed renewability); and
- (d) to fund the termination of any insured policy issued by the PPF Scheme member.

[31/2018]

(3) For the purposes of subsection (2) —

- (a) the reference in paragraph (b) of that subsection to funding the transfer of the whole or part of the business of the PPF Scheme member to another insurer includes the payment of compensation out of the PPF Life Fund or the PPF General Fund to any covered party in accordance with this Act that is made following from, or in consequence of, the transfer;
- (b) the reference in paragraph (c) of that subsection to funding the run-off of the insurance business of the PPF Scheme member includes the payment of compensation out of the PPF Life Fund or the PPF General Fund to any covered party in accordance with this Act that is made following from, or in consequence of, the run-off of the insurance business; and
- (c) the reference in paragraph (d) of that subsection to funding the termination of any insured policy issued by the PPF Scheme member includes the payment of compensation out of the PPF Life Fund or the PPF General Fund to any covered party in accordance with this Act that is made following from, or in consequence of, the termination,

and similar references in other parts of this Act are also to be construed accordingly.

[31/2018]

(4) Where the Authority makes any determination referred to in subsection (1), the Authority must immediately give written notice to the Agency of its determination.

(5) The written notice referred to in subsection (4) must be in such form and contain such information as may be agreed between the Authority and the Agency.

(6) The Agency must, as soon as practicable upon receiving the notice referred to in subsection (4), publish a notification in the *Gazette* stating that a payment of compensation is to be made out of the PPF Life Fund or the PPF General Fund, or that the PPF Life Fund or the PPF General Fund is to be utilised to fund the transfer or run-off of the insurance business of the failed PPF Scheme member, or to fund the termination of any insured policy issued by the failed PPF Scheme member, as the case may be.

[31/2018]

(7) Where the Authority has made a determination under subsection (1) that the PPF Life Fund or the PPF General Fund be utilised for the purpose mentioned in subsection (2)(c), the Authority may make a further determination that the PPF Life Fund or the PPF General Fund (as the case may be) be utilised for one or more of the purposes mentioned in subsection (2)(b) or (d).

[31/2018]

(8) Where the Authority makes a determination under subsection (7), the Authority must immediately give written notice of its determination to the Agency, and subsections (5) and (6) apply to that notice as if it were a notice given under subsection (4).

[31/2018]

(9) Upon receipt of the notice mentioned in subsection (4) or (8), the Agency must take all steps necessary to give effect to the Authority's determination.

[31/2018]

Entitlement to compensation for life business

47.—(1) Subject to subsections (3) and (6) and section 49, where an insured policy owner has one or more insured policies covered under the PPF Life Fund issued by a failed PPF Scheme member which —

(a) is or are issued to the insured policy owner; or

(b) is or are issued to the insured policy owner jointly with one or more other persons as joint policy owners,
a covered party is entitled to compensation from the PPF Life Fund of one or more of the amounts mentioned in subsection (2).

[31/2018]

(2) The amounts mentioned in subsection (1) are —

(a) in the case of a Category 1 insured policy mentioned in the Second Schedule, an amount equivalent to the product of the protection ratio mentioned in paragraph 2(a) of the Fourth Schedule and the amount of policy moneys payable in respect of that insured policy;

(b) in the case of a Category 2 insured policy mentioned in the Second Schedule, an amount equivalent to —

(i) the product of the protection ratio for the sum assured mentioned in paragraph 2(b) of the Fourth Schedule and the sum assured guaranteed under that insured policy, or (if part of the sum assured guaranteed under that insured policy had previously been paid out under the insured policy) the remaining amount of the sum assured in the event that a claim event occurs before the quantification date;

(ii) the product of the protection ratio for the surrender value mentioned in paragraph 2(c) of the Fourth Schedule and, as the case may be —

(A) the surrender value guaranteed under that insured policy in the event that the insured policy owner, or the trustee of the trust of the insured policy, has given written notice to the failed PPF Scheme member to surrender that insured policy before the quantification date;
or

(B) the remaining amount of the surrender value guaranteed under that insured policy in the event that payment of claims had been made to

a covered party before the quantification date;
or

- (iii) the sum of sub-paragraphs (i) and (ii), where applicable;
- (c) in the case of a Category 3 insured policy mentioned in the Second Schedule, an amount equivalent to the product of the protection ratio mentioned in paragraph 2(d) of the Fourth Schedule and the amount of policy moneys guaranteed to be payable under the annuity by the failed PPF Scheme member; and
- (d) in the case of a Category 4 insured policy mentioned in the Second Schedule, an amount equivalent to —
 - (i) the product of the protection ratio for the sum assured mentioned in paragraph 2(e)(i) of the Fourth Schedule and the sum assured guaranteed under that insured policy in the event that a claim event occurs before the quantification date;
 - (ii) the product of the protection ratio for the surrender value mentioned in paragraph 2(e)(ii) of the Fourth Schedule and the surrender value guaranteed under that insured policy in the event of a surrender before the quantification date; or
 - (iii) the product of the protection ratio for the commuted value mentioned in paragraph 2(e)(iii) of the Fourth Schedule and the amount of policy moneys which are guaranteed to be payable in the case of an annuity.

[31/2018]

(3) Subject to subsection (4), where any of the insured policies mentioned in subsection (1) is an insured policy which is covered under the PPF Life Fund —

- (a) the insured policy owner;
- (b) the trustee of a trust of the insured policy;
- (c) any beneficiary of the insured policy; or

- (d) any combination of persons mentioned in paragraph (a), (b) or (c),

is or are entitled to compensation from the PPF Life Fund of the full amount of the protected liabilities in respect of the insured policy.

[31/2018]

(4) Where a combination of the persons mentioned in subsection (3)(d) are entitled to compensation from the PPF Life Fund, their total compensation must not exceed the full amount of the protected liabilities in respect of the insured policy.

[31/2018]

(5) The determination of the amount of compensation payable under an insured policy mentioned in subsection (2) must only include the accumulated values (including interest which has accrued on such values) of coupon deposits, advance premium payments and unclaimed moneys under the insured policy, insofar as they relate to an insured policy that provides fully guaranteed or partially guaranteed benefits.

[31/2018]

(6) Where a claim event for an insured policy has occurred, or where an insured policy has been terminated, on or before the quantification date, there must be deducted from the amount of compensation mentioned in subsection (2) —

- (a) any outstanding loan taken out against that insured policy; and
- (b) any outstanding premiums owed by the policy owner for that insured policy.

[31/2018]

Entitlement to compensation for life business — refund of premiums and claim under accidental death insurance cover

48.—(1) Where an insured policy owner is expressly entitled under the contract of insurance in respect of an insured policy which is covered under the PPF Life Fund to a refund of premiums by a failed PPF Scheme member, a covered party is entitled to compensation from the PPF Life Fund for the premiums in full.

[31/2018]

(2) Where an accidental death insurance cover is provided by a PPF Scheme member to a customer before the inception of an insured policy, and an accidental death claim on the cover arises on or before the quantification date, the customer's beneficiary is entitled to compensation from the PPF Life Fund for the accidental death benefit under the cover upon admission of the claim.

[31/2018]

Entitlement to compensation for general business

48A.—(1) Subject to subsections (2), (4), (5) and (6) and section 49, where an insured policy owner has one or more insured policies covered under the PPF General Fund issued by a failed PPF Scheme member, which —

- (a) is or are issued to the insured policy owner; or
- (b) is or are issued to the insured policy owner jointly with one or more other persons as joint policy owners,

a covered party is entitled to compensation from the PPF General Fund of the aggregate amount of the protected liabilities in respect of the insured policy or all such insured policies.

[31/2018]

(2) The entitlement to compensation under subsection (1) is subject to the maximum amount of compensation that is prescribed by the Authority for the class or type of insured policy or claim event, or both.

[31/2018]

(3) The Authority may make regulations to prescribe the maximum amount of compensation that a covered party is entitled to under subsection (1) for each class or type of insured policy or claim event, or both.

[31/2018]

(4) Subject to subsection (5), where any of the insured policies mentioned in subsection (1) is an insured policy which is covered under the PPF General Fund —

- (a) the insured policy owner;
- (b) the trustee of a trust of the insured policy;
- (c) any beneficiary of the insured policy; or

- (d) any combination of persons mentioned in paragraph (a), (b) or (c),

is or are entitled to compensation from the PPF General Fund of the full amount of the protected liabilities in respect of the insured policy.

[31/2018]

(5) Where a combination of the persons mentioned in subsection (4)(d) is entitled to compensation from the PPF General Fund, their total compensation must not exceed the full amount of the protected liabilities in respect of the insured policy.

[31/2018]

(6) Where a claim event for an insured policy has occurred, or where an insured policy has been terminated, on or before the quantification date, the compensation under subsection (1) is to be reduced by the amount of all outstanding premiums due under the insured policy at the time of the claim event.

[31/2018]

Entitlement to compensation for general business — refund of premiums

48B. Where an insured policy owner is expressly entitled under the contract of insurance in respect of an insured policy which is covered under the PPF General Fund to a refund of premiums by a failed PPF Scheme member, a covered party is entitled to compensation from the PPF General Fund for the premiums in full.

[31/2018]

Joint insured policies

49.—(1) Where there are 2 or more insured policy owners in respect of any insured policy, each of those insured policy owners is entitled, as at the quantification date, to compensation from the PPF Life Fund or the PPF General Fund, as the case may be.

(2) For the purposes of determining the share of an insured policy owner in an insured policy under subsection (1), each insured policy owner holding such insured policy is deemed to have an equal share in the insured policy unless there is an express provision to the contrary in the books of the failed PPF Scheme member.

(3) To avoid doubt, subsection (2) does not affect any rights as between the insured policy owners themselves.

Restrictions on entitlement to compensation under PPF Scheme

50. A person is not entitled to compensation under this Part in respect of an insured policy, or an accidental death insurance cover mentioned in section 48(2), if the Agency has, in respect of the insured policy or accidental death insurance cover, paid to —

- (a) the insured policy owner;
- (b) a trustee of a trust of the insured policy;
- (c) a beneficiary of the insured policy or the accidental death insurance cover;
- (d) the insured policy owner and a beneficiary of the insured policy or the accidental death insurance cover; or
- (e) a trustee of a trust of the insured policy and a beneficiary of the insured policy or the accidental death insurance cover,

as the case may be, the full amount of compensation payable to the person or persons in accordance with this Act.

[31/2018]

Cessation of coverage under PPF Scheme

50A.—(1) If a determination is made by the Authority for the utilisation of the PPF Life Fund under section 46(1), the insured policy owner of an insured policy which —

- (a) is covered by the PPF Life Fund; and
- (b) is issued by the PPF Scheme member in relation to which the determination was made,

is not entitled to exercise any settlement option contained in a contract of insurance for the insured policy on or after the quantification date.

[31/2018]

(2) Where a settlement option contained in a contract of insurance for an insured policy which is covered by the PPF Life Fund has been exercised before the quantification date —

- (a) the insured policy ceases to be covered under the PPF Life Fund as at the date on which the settlement option was exercised; and
- (b) a covered party is not entitled to any compensation under this Part.

[31/2018]

(3) In this section, “settlement option” means an option that is exercisable by a covered party upon the surrender or maturity of an insured policy, or upon a claim being made under an insured policy —

- (a) to leave the policy moneys ascertained to be due and payable under the policy with the insurer which issued the policy to further accrue interest on or to invest the payments; or
- (b) to convert the otherwise lump sum payment of the policy moneys ascertained to be due and payable under the policy to instalment payments over a fixed period.

[31/2018]

(4) This section only applies in respect of a settlement option contained in a contract for an insured policy if, apart from the payment of the principal and interest or gains, or the instalment payments, as a result of exercising the option set out in subsection (3), no further policy moneys are payable under the insured policy on the happening of any contingency after the exercise of the option.

[31/2018]

Computation and method of payment of compensation under PPF Scheme

51.—(1) The Agency must compute in accordance with this Act the amount of compensation due to a covered party under an insured policy which is covered under the PPF Life Fund or the PPF General Fund issued by a failed PPF Scheme member.

[31/2018]

(2) The Agency is entitled to rely on the books of the failed PPF Scheme member, and any other books that the Agency thinks relevant, for the purpose of determining the eligibility of, the entitlement to, and the amount of compensation due to a covered party under an insured policy which is covered under the PPF Life Fund or the PPF General Fund that is issued by the failed PPF Scheme member.

[31/2018]

(3) Subject to subsection (4), the Agency must pay the compensation in such form and manner as may be specified in the Rules.

(4) The Authority may make regulations for the purposes of payment of compensation by the Agency.

(5) Without limiting subsection (4), such regulations may —

- (a) specify the person to whom, or the account into which, payment of compensation is to be made for the benefit of any covered party who is entitled to compensation under this Act; and
- (b) provide for the payment of compensation into an equivalent account with a financial institution and for such compensation to be held in that account in a manner equivalent to the manner of holding of the original insured policy.

[31/2018]

Subrogation

52.—(1) Upon payment out of the PPF Life Fund or the PPF General Fund of any compensation under this Act to, or for the benefit of, any covered party, the Agency is subrogated to the extent of such payment to all the rights and remedies of —

- (a) the insured policy owner;
- (b) the beneficiary;
- (c) the trustee of a trust of an insured policy; or

- (d) the person who received compensation on behalf of the insured policy owner, the trustee of a trust of an insured policy or the beneficiary,

as the case may be, in respect of the insured policy in priority over —

- (e) the rights and remedies of the insured policy owner or the person who received the compensation on behalf of the insured policy owner (as the case may be) in relation to that insured policy;
- (f) in the case where the insured policy is covered under the PPF Life Fund or the PPF General Fund and provides third party benefits, the rights and remedies of the beneficiary or the person who received the compensation on behalf of the beneficiary (as the case may be) in relation to that insured policy; and
- (g) the rights and remedies of any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of any of the persons referred to in paragraphs (a), (b), (c) and (d) in relation to that insured life policy,

and may maintain an action in respect of those rights and remedies in the name of the person referred to in paragraph (a), (b), (c) or (d) (as the case may be) or in the name of the Agency, subject to subsection (2).

[31/2018]

(2) Where the Agency maintains an action in respect of the rights and remedies in the name of the person referred to in subsection (1)(a), (b), (c) or (d) (as the case may be) the following provisions apply:

- (a) in the case where the failed PPF Scheme member is not wound up, the Agency is entitled to recover the full amount of compensation claimed against the failed PPF Scheme member, despite any liabilities owing by the insured policy owner to the PPF Scheme member;
- (b) in the case where the failed PPF Scheme member is wound up, the insolvency rules relating to set-off do not apply in

relation to the rights and remedies of the insured policy owner.

[31/2018]

(3) For the purposes of subsection (1), where the Agency is unable to effect payment to any covered party (whether due to an incorrect or outdated address, a dormant account or any other reason beyond the reasonable control of the Agency), the Agency is treated as having made payment out of the PPF Life Fund or the PPF General Fund (as the case may be) of compensation under this Act to, or for the benefit of, the covered party, if the Agency makes payment of the compensation to the Public Trustee appointed under the Public Trustee Act 1915 to be held on trust for the covered party.

[31/2018]

(4) The persons referred to in paragraphs (a), (b), (c) and (d) of subsection (1), or any person who is subrogated, whether or not before the Agency's subrogation, to the rights and remedies of those persons, is not entitled to receive any amount from, or out of, the assets of the failed PPF Scheme member until the Agency has been reimbursed in full the amount of compensation paid to those persons.

[31/2018]

(5) Despite any provision in the Insolvency, Restructuring and Dissolution Act 2018 or the Co-operative Societies Act 1979, the Agency is entitled —

- (a) in the case where a failed PPF Scheme member is wound up or dissolved, to be reimbursed out of the assets of the failed PPF Scheme member for the expenses incurred for or in respect of —
 - (i) the payment of any compensation to any covered party, including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation under the PPF Scheme;
 - (ii) the lodging of any claim with the liquidator of the failed PPF Scheme member for any compensation that has been paid out to any covered party under the PPF Scheme;

- (iii) any communication with any covered party and the public on, or relating to, the payment of any compensation to any covered party under the PPF Scheme; and
 - (iv) such other matters as may be prescribed by the Authority; or
- (b) in any other case, to be reimbursed by the failed PPF Scheme member or the provisional liquidator of the failed PPF Scheme member (as the case may be) for the expenses incurred for or in respect of —
- (i) the payment of any compensation to any covered party, including any interest charged on moneys borrowed by the Agency for the purpose of making payment of any compensation under the PPF Scheme;
 - (ii) the lodging of any claim with the provisional liquidator of the failed PPF Scheme member for any compensation that has been paid out to any covered party under the PPF Scheme;
 - (iii) any communication with any covered party and the public on, or relating to, the payment of any compensation to any covered party under the PPF Scheme; and
 - (iv) such other matters as may be prescribed by the Authority.

[31/2018; 40/2018]

(6) The Authority may by regulations —

- (a) provide for the manner, process or method by which the Agency may exercise its rights to be subrogated to the rights and remedies as set out in subsection (1); and
- (b) prescribe the matters mentioned in subsection (5)(a)(iv) and (b)(iv).

[31/2018]

(7) For the purposes of making payment of compensation by the Agency to the Public Trustee under subsection (3) and payment of

compensation by the Public Trustee to any covered party under this Act, the Authority may, with the Public Trustee's concurrence and in consultation with the Agency, make regulations for or in respect of all or any of the following matters:

- (a) the manner in which moneys paid by the Agency to the Public Trustee are to be paid to any covered party under this Act;
- (b) the fees to be paid by the Agency to the Public Trustee and the manner of payment of such fees;
- (c) such other matters as the Authority considers necessary.

[31/2018]

(8) The provisions in the Fifth Schedule apply in relation to the holding and payment of compensation by the Public Trustee to insured policy owners and beneficiaries under this Act.

(9) If the Authority wishes to amend or vary any regulations made under subsection (7), the Authority must first conduct a joint review with the Public Trustee and such regulations must not be amended or varied without the Public Trustee's concurrence and consulting the Agency.

Recovery of compensation paid in excess or in error under PPF Scheme

53.—(1) If —

- (a) any compensation paid to, or for the benefit of, any covered party is in excess of what ought to have been paid to the covered party under this Act; or
- (b) any compensation is paid in error to any person,

the Agency may recover the amount paid in error or excess from the person who received the compensation, in such manner and within such period as may be specified by the Agency to that person.

[31/2018]

(2) Without affecting any other remedy, any amount paid in error or excess to any person is recoverable as a debt due to the Agency by that person.

(3) Despite any provision in the Limitation Act 1959, an action to recover any amount paid in error or excess to any person recoverable by virtue of this section must not be brought after the expiry of the period during which the action may be brought against the person under the Limitation Act 1959 or the date of completion of the winding up of the failed PPF Scheme member, whichever is later.

(4) Upon the recovery of any amount paid in error or excess from any person under this section (called in this section the recovered amount), the Agency must do the following:

- (a) in the case where the failed PPF Scheme member is not wound up or where the winding up of the failed PPF Scheme member has not completed and the Agency has not recovered or has not recovered in full from the failed PPF Scheme member or its liquidator (as the case may be) the compensation which it paid out to the covered party, the Agency must deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the PPF Life Fund or the PPF General Fund (as the case may be) and pay the amount remaining from the recovered amount after the deduction (if any) to the failed PPF Scheme member or its liquidator, as the case may be;
- (b) in the case where the failed PPF Scheme member is not wound up or where the winding up of the failed PPF Scheme member has not completed and the Agency has recovered from the failed PPF Scheme member or its liquidator (as the case may be) in full the compensation which it paid out to the covered party, the Agency must pay the recovered amount to the failed PPF Scheme member or its liquidator, as the case may be;
- (c) in the case where the winding up of the failed PPF Scheme member has completed and the Agency has not recovered or has not recovered in full from the liquidator the compensation which it paid out to the covered party, the Agency must deduct from the recovered amount the shortfall in compensation and pay such deducted amount to the PPF Life Fund or the PPF General Fund (as the case

may be) and pay the amount remaining from the recovered amount after the deduction (if any) to the Official Receiver to be placed to the credit of the Companies Liquidation Account;

- (d) in the case where the winding up of the failed PPF Scheme member has completed and the Agency has recovered from the liquidator in full the compensation which it paid out to the covered party, the Agency must pay the recovered amount to the Official Receiver to be placed to the credit of the Companies Liquidation Account.

[31/2018]

(5) Section 197(4), (7), (8), (9) and (10) of the Insolvency, Restructuring and Dissolution Act 2018 applies, with the necessary modifications, to the money paid to the Official Receiver under subsection (4)(c) and (d).

[40/2018]

Use of PPF Life Fund or PPF General Fund for transfer or run-off of insurance business or for termination of insured policies

54.—(1) In determining under section 46 —

- (a) whether the PPF Life Fund or the PPF General Fund is to be utilised to fund —
- (i) any transfer of the whole or part of the insurance business of the failed PPF Scheme member to another insurer;
 - (ii) any run-off of the insurance business of the failed PPF Scheme member; or
 - (iii) any termination of insured policies issued by the failed PPF Scheme member; and
- (b) the amount of the PPF Life Fund or the PPF General Fund to be utilised,

the Authority must (without limiting any other factor that the Authority may consider relevant) have regard to the factors in subsection (2).

[31/2018]

- (2) For the purposes of subsection (1), the factors are —
- (a) the costs of transferring the whole or part of the insurance business of the failed PPF Scheme member, running-off the insurance business of the failed PPF Scheme member, or terminating the insured policies issued by the failed PPF Scheme member, as the case may be; and
 - (b) the impact of not transferring the whole or part of the insurance business of the failed PPF Scheme member, not running-off the insurance business of the failed PPF Scheme member, or not terminating the insured policies issued by the failed PPF Scheme member, as the case may be.

[31/2018]

(3) For the purposes of subsection (1), the Authority must, prior to notifying the Agency of its determination under section 46, obtain the approval of the Minister for the amount to be paid out of the PPF Life Fund or the PPF General Fund (as the case may be) by the Agency.

(4) Where the insurance business of a failed PPF Scheme member is transferred to another insurer, or the insurance business is run-off by the Agency or by a person appointed by the Agency or the Authority, and a contingency upon which policy moneys are payable under an insured policy issued by the failed PPF Scheme member occurs after the transfer, or during the run-off, of the insurance business —

- (a) the benefits that an insured policy owner, or a trustee of a trust, of an insured policy which is covered under the PPF Life Fund or the PPF General Fund is entitled to receive under the insured policy; or
- (b) in the case of an insured policy which is covered under the PPF Life Fund or the PPF General Fund and which provides third party benefits, the benefits that —
 - (i) any insured policy owner;
 - (ii) any trustee of a trust of the insured policy;
 - (iii) any beneficiary of the insured policy;

(iv) any insured policy owner and any beneficiary of the insured policy; or

(v) any trustee of a trust of the insured policy and any beneficiary of the insured policy,

as the case may be, is or are entitled to receive under the insured policy,

must be an amount not less than the protected liabilities in respect of the insured policy.

[31/2018]

(5) Where an insured policy issued by a failed PPF Scheme member is terminated by the Agency —

(a) the benefits that a covered party is entitled to receive under an insured policy which is covered under the PPF Life Fund or the PPF General Fund; or

(b) in the case of an insured policy which is covered under the PPF Life Fund or the PPF General Fund and which provides third party benefits, the benefits that —

(i) any insured policy owner;

(ii) any trustee of a trust of the insured policy;

(iii) any beneficiary of the insured policy;

(iv) any insured policy owner and any beneficiary of the insured policy; or

(v) any trustee of a trust of the insured policy and any beneficiary of the insured policy,

as the case may be, is or are entitled to receive under the insured policy,

must be an amount not less than the protected liabilities in respect of the insured policy.

[31/2018]

(6) The entitlement to benefits mentioned in subsections (4) and (5) is subject to the maximum amounts of benefits prescribed by the Authority for the class or type of insured policy.

[31/2018]

(7) The Authority may make regulations to prescribe the maximum amount of benefits that the persons mentioned in subsections (4) and (5) are entitled to for each class or type of insured policy.

[31/2018]

(8) For the purposes of subsections (4) and (5), the protected liabilities in respect of an insured policy of the insured policy owner must be computed in accordance with the Third Schedule.

[31/2018]

(9) The Agency is entitled to be reimbursed by the failed PPF Scheme member or the provisional liquidator of the failed PPF Scheme member (as the case may be) for the expenses incurred in —

- (a) in the event of a transfer of the whole or part of the business from the failed PPF Scheme member to another insurer, the costs and expenses of such transfer;
- (b) in the event of the run-off of the whole or part of the business of the failed PPF Scheme member, the costs and expenses of setting up a company to run-off the insurance policies and outsourcing the administration of the insurance policies to a third party; and
- (c) in the event of the termination of insured policies issued by the failed PPF Scheme member, the costs and expenses of effecting such termination.

[31/2018]

Duties of liquidators in winding up of PPF Scheme member

54A.—(1) A person who —

- (a) is appointed as a liquidator under the Insolvency, Restructuring and Dissolution Act 2018 for the winding up of a PPF Scheme member; and
- (b) has been approved by the Authority as such under section 54(4) of the Monetary Authority of Singapore Act 1970,

(called in this section the liquidator) must, in carrying out its functions as a liquidator, work together with the Agency to ensure that any covered party who is entitled to receive compensation from

the PPF Life Fund or the PPF General Fund receives payment from the Agency as soon as is reasonably practicable.

[31/2018; 40/2018]

(2) The Authority may, by written notice to the liquidator, require the liquidator to give the Agency such information and reasonable assistance as the Authority considers necessary —

- (a) to ensure that any covered party who is entitled to receive compensation from the PPF Life Fund or the PPF General Fund receives payment from the Agency as soon as is reasonably practicable; and
- (b) to enable the Agency to fulfil its objects and discharge its functions under this Act.

[31/2018]

(3) Despite any written law or rule of law but subject to subsection (4), the liquidator must not, without the prior written approval of the Authority, sell or transfer any assets of the PPF Scheme member being wound up to —

- (a) any person who provides services in connection with the winding up of the PPF Scheme member; or
- (b) any person working for or on behalf of —
 - (i) the Agency;
 - (ii) the Authority; or
 - (iii) a person mentioned in paragraph (a).

[31/2018]

(4) Subsection (3) does not prevent the payment by the liquidator of any debt of the PPF Scheme member being wound up in accordance with any written law or rule of law relating to the winding up of companies.

[31/2018]

(5) Any sale or transfer of assets by the liquidator in contravention of subsection (3) is void.

[31/2018]

(6) Any liquidator who —

- (a) without reasonable excuse, fails to comply with subsection (1), or any notice issued by the Authority under subsection (2); or
- (b) being required to provide information to the Agency under subsection (2), knowingly or recklessly provides any information or document that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

[31/2018]

Powers of liquidator in respect of claims against insured policy owner

55.—(1) Subject to subsection (3), despite any written law or rule of law, where —

- (a) the Agency has paid compensation out of the PPF Life Fund or the PPF General Fund in accordance with this Act to —
 - (i) any insured policy owner;
 - (ii) any trustee of a trust of an insured policy;
 - (iii) any beneficiary of an accidental death insurance cover; or
 - (iv) any combination of persons mentioned in sub-paragraphs (i), (ii) and (iii);
- (b) such compensation is, or will be, accorded priority in the event of the winding up of the failed PPF Scheme member under section 123 of the Insurance Act 1966; and
- (c) the failed PPF Scheme member has one or more existing claims against the insured policy owner,

the liquidator may bring legal proceedings with respect to those claims in the name, and on behalf, of the failed PPF Scheme member against the insured policy owner or any person who received compensation on behalf of the insured policy owner, to recover such moneys as may be necessary to put the failed PPF Scheme member into the position it would have been as against the insured policy owner with respect to those claims, if —

- (d) the Agency had not paid out any compensation or been accorded priority under section 123 of the Insurance Act 1966 in respect of the compensation paid to the insured policy owner; and
- (e) the liquidator had applied the same rules with regard to the respective rights of debts provable and the valuation of future and contingent liabilities as are in force for the time being under the law relating to bankruptcy in relation to the estates of persons adjudged bankrupt, as if the failed PPF Scheme member were a person so adjudged.

[31/2018]

(2) Such moneys are recoverable as a debt due to the failed PPF Scheme member by the insured policy owner or any person who received compensation on behalf of the insured policy owner.

(3) This section does not apply to any moneys held by the Public Trustee pursuant to any payment of compensation by the Agency under section 52(3).

(4) In this section, a reference to the insured policy owner includes, where compensation has been paid by the Agency under section 48(2) to a person entitled to accidental death benefit under the terms of an accidental death insurance cover provided by a PPF Scheme member to a customer before the inception of an insured policy, the customer of the PPF Scheme member.

[31/2018]

PART 10

DEPOSIT INSURANCE AND POLICY OWNERS'
PROTECTION FUND AGENCY

Designation of company to be deposit insurance and policy owners' protection fund agency

56. The Minister may, by notification in the *Gazette*, designate a company incorporated in Singapore to be the deposit insurance and policy owners' protection fund agency for the purposes of this Act.

Objects, functions and powers of Agency

57.—(1) Subject to the provisions of this Act, the objects of the Agency are —

- (a) to administer the DI Scheme and PPF Scheme in accordance with this Act;
- (b) to administer and manage the DI Fund, PPF Life Fund and PPF General Fund in accordance with this Act;
- (c) to administer and manage the insurance business of a failed PPF Scheme member; and
- (d) to take such steps as may be directed by the Minister or after consultation with the Authority, to contribute to the stability of the financial system.

(2) Without limiting subsection (1), the functions of the Agency include the following:

- (a) collect premium contributions and levies payable by DI Scheme members and PPF Scheme members under this Act;
- (b) make payments of compensation in respect of insured deposits to insured depositors out of the DI Fund after the Agency has determined the eligibility and entitlement of the depositors;
- (c) make payments of compensation out of the PPF Life Fund and the PPF General Fund in respect of protected liabilities

- to any covered party after the Agency has determined the covered party's eligibility and entitlement;
- (d) make interim payments of compensation out of the DI Fund to insured depositors of such amounts as the Agency considers appropriate;
 - (e) make payments to a trustee of a resolution fund established for a resolution measure undertaken for a DI Scheme member;
 - (f) make interim payments of compensation, of such amounts as the Agency considers appropriate, out of the PPF Life Fund and the PPF General Fund to any covered party;
 - (g) where the transfer of the whole or part of the insurance business from a failed PPF Scheme member, or from a company set up to hold the insured policies of the failed PPF Scheme member, to another PPF Scheme member is reasonably practicable, make payment out of the PPF Life Fund or the PPF General Fund to fund such transfer;
 - (h) make payment out of the PPF Life Fund or the PPF General Fund to —
 - (i) fund the run-off of the insurance business of the failed PPF Scheme member;
 - (ii) set up a company to hold the insured policies of the failed PPF Scheme member; and
 - (iii) outsource the administration of the insured policies of the failed PPF Scheme member to a third party;
 - (i) carry on the run-off of the insurance business of the failed PPF Scheme member and to set up a company to hold the insured policies of the failed PPF Scheme member;
 - (j) carry out the termination of insured policies issued by a failed PPF Scheme member and make payment out of the PPF Life Fund or the PPF General Fund to fund such termination;
 - (k) claim from the failed DI Scheme member for reimbursement of the amount of compensation paid to

the insured depositors out of the DI Fund, together with any interest accrued thereon;

- (l) claim from the failed PPF Scheme member for reimbursement of the amount of compensation paid to covered parties out of the PPF Life Fund or the PPF General Fund, together with any accrued interest;
- (m) claim payment from the liquidator or provisional liquidator of a failed DI Scheme member, out of the assets of the failed DI Scheme member, for reimbursement of the amount of compensation paid to the insured depositors out of the DI Fund, together with any interest accrued thereon;
- (n) claim payment from the liquidator or provisional liquidator of a failed PPF Scheme member, out of the assets of the failed PPF Scheme member, for reimbursement of the amount of compensation paid to covered parties out of the PPF Life Fund or the PPF General Fund, together with any accrued interest;
- (o) educate the public on the DI Scheme and the PPF Scheme;
- (p) submit to the liquidator of a failed DI Scheme member a consolidated proof of debt on behalf of insured depositors of a failed DI Scheme member in relation to each of their insured deposits placed with the failed DI Scheme member that exceeds the Maximum DI Coverage.

[31/2017; 31/2018]

(3) The Agency has the power to do anything for the purpose of fulfilling its objects and discharging its functions under this Act or any other written law, or which is incidental or conducive to the fulfilment of those objects and discharge of those functions.

(4) Without limiting subsection (3), the Agency may —

- (a) for the purpose of making payments of compensation to insured depositors in respect of their insured deposits under the DI Scheme, raise loans by means of a charge over the assets of the DI Fund; and
- (b) for the purpose of making payments out of the PPF Life Fund or the PPF General Fund, raise loans by means of a

charge over the assets of the PPF Life Fund or the PPF General Fund.

[31/2018]

(5) Despite sections 9(5) and 34(5) and (6), the Agency may transfer to its account for the purpose of paying expenses of the Agency, moneys from the DI Fund, PPF Life Fund and PPF General Fund up to the amount approved under section 77 by the Minister as estimates and supplementary estimates of income and expenditure of the DI Fund, PPF Life Fund and PPF General Fund.

[31/2018]

Amendment to constitution of Agency

58.—(1) Despite any provision in the Companies Act 1967, the Agency must not amend the constitution of the Agency without the prior approval of the Minister.

[31/2018]

(2) Any amendment made to the constitution of the Agency without the prior approval of the Minister is void.

[31/2018]

Appointment of board of directors

59.—(1) This section has effect despite any provision in the Companies Act 1967 and the constitution of the Agency.

[31/2018]

(2) The board of directors of the Agency consists of —

(a) a Chairperson who must be appointed by the board of directors; and

(b) not less than 4 but not more than 9 other directors.

(3) A director holds office for a term not exceeding 3 years and is eligible for re-appointment.

(4) No person may be appointed as or remain a director on the board of directors if the person is a substantial shareholder, a director or an employee of —

(a) any DI Scheme member or PPF Scheme member; or

(b) a related corporation of any DI Scheme member or PPF Scheme member.

(5) In this section —

“related corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“substantial shareholder” has the meaning given by section 81 of the Companies Act 1967.

Board to be accountable to Minister

60. The board of directors is accountable to the Minister for its acts and decisions.

Salaries, fees and allowances payable to Chairperson and directors

61. There are to be paid to the Chairperson of the board of directors and directors of the Agency out of the DI Fund, PPF Life Fund and PPF General Fund such salaries, fees and allowances as the Minister may determine upon the recommendation of the Agency.

Appointment of Chief Executive, officers and employees, etc.

62.—(1) The board of directors must appoint a Chief Executive on such terms and conditions as the board may determine.

(2) The Chief Executive is —

(a) known by such designation as the board of directors may determine; and

(b) responsible to the board of directors for the proper administration and management of the functions and affairs of the Agency in accordance with the policies and directions laid down by the board.

(3) Where the Chief Executive is temporarily absent from Singapore or temporarily incapacitated by reason of illness, or is for any other reason temporarily unable to perform his or her duties, a person may be appointed by the board of directors to act in the place of the Chief Executive during any such period of absence from duty.

(4) The Agency may appoint and employ on such terms and conditions as it may determine, such other officers, employees,

consultants and agents as may be necessary for the effective performance of its functions.

Rules issued by Agency for DI Scheme and PPF Scheme

63.—(1) The Agency may issue, and in its discretion publish for information in the *Gazette* or in any other manner as it considers appropriate, Rules for any matter relating to any of its functions under this Act.

- (2) Without limiting subsection (1), such Rules may provide for —
- (a) the manner and method of collection of premium contributions, levies and late payment fees;
 - (b) the manner of disclosure by DI Scheme members as to whether their products are insured deposits;
 - (c) the manner of disclosure by PPF Scheme members as to whether their products are insured policies;
 - (d) the particulars to be recorded in, or in respect of, books kept by DI Scheme members for the purpose of computing the amount of insured deposits placed with the DI Scheme members, and the particulars to be recorded in, or in respect of, books kept by PPF Scheme members for the purpose of confirming the insured policies issued by the PPF Scheme members;
 - (e) the manner in which compensation is to be paid to the following persons:
 - (i) insured depositors and persons mentioned in section 22(7) from the DI Fund;
 - (ii) any covered party from the PPF Life Fund and the PPF General Fund;
 - (f) the collection from any DI Scheme member by the Agency of any information in relation to its insured deposits and insured depositors, for the purpose of computing the amount of compensation which is to be paid to the insured depositors; and

- (g) the collection from any PPF Scheme member by the Agency of any information in relation to the insured policies and any covered party for the purpose of computing the amount of compensation that is to be paid to the covered party.

[31/2018]

(3) The Agency may, at any time, amend or revoke the whole or part of any Rule issued under this section.

(4) Without limiting the operation of any other provision of this Act, the Rules bind the Agency, the DI Scheme members and the PPF Scheme members to the same extent as if the Rules had been contained in properly executed agreements on the part of the Agency and each DI Scheme member, or the Agency and each PPF Scheme member (as the case may be) to observe and comply with all the Rules.

(5) To avoid doubt, no person, other than the Agency, a DI Scheme member or a PPF Scheme member, has any right to enforce the observance of or compliance with any of the Rules where such Rule is relevant.

(6) To avoid doubt, any Rules issued under this section are deemed not to be subsidiary legislation.

(7) No Rule issued by the Agency may be inconsistent with any regulations made by the Authority under this Act and any such Rule which is so inconsistent is, to the extent of inconsistency, void.

Regulations on disclosure and operational preparedness

64.—(1) The Authority may, for the purposes of ensuring disclosure of relevant information by the DI Scheme members and PPF Scheme members to the Agency, depositors, covered parties, customers or potential customers of the DI Scheme members and PPF Scheme members, make regulations for or in respect of all or any of the following matters:

- (a) the disclosure by DI Scheme members and PPF Scheme members as to whether their products are insured deposits or insured policies, as the case may be;

- (b) the manner of disclosure of relevant information by DI Scheme members and PPF Scheme members when they cease to be Scheme members.

[31/2018]

(2) The Authority may, for the purposes of ensuring the operational preparedness of the DI Scheme members and PPF Scheme members in the event of an occurrence of any event precipitating the use of the DI Fund, PPF Life Fund or PPF General Fund (as the case may be) make regulations for or in respect of all or any of the following matters:

- (a) the necessary systems and processes that DI Scheme members or PPF Scheme members must have in place;
- (b) the appointment of one or more independent persons to assess the operational preparedness of DI Scheme members or PPF Scheme members;
- (c) the employment of requisite personnel and qualified persons by DI Scheme members or PPF Scheme members in respect of the proper functioning of their systems and processes.

(3) The regulations made under subsection (1) may provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$125,000 or with imprisonment for a term not exceeding 3 years or with both and, in the case of a continuing offence, with a further fine of \$12,500 for every day or part of a day during which the offence continues after conviction.

(4) The regulations made under subsection (2) may provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$125,000 and, in the case of a continuing offence, with a further fine of \$12,500 for every day or part of a day during which the offence continues after conviction.

(5) Any DI Scheme member or PPF Scheme member which in purported compliance with the regulations made under this section, without reasonable care, discloses any information that is inaccurate, false or misleading, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000.

[31/2018]

Power of court to order observance of or compliance with Rules

65.—(1) Where any person who is bound to observe or comply with the Rules fails to do so, the General Division of the High Court may, on the application of the Agency, a DI Scheme member or a PPF Scheme member, and after giving the firstmentioned person an opportunity to be heard, make an order directing the firstmentioned person to observe or comply with those Rules.

[40/2019]

(2) This section is in addition to, and not in derogation of, any other remedy available to the Agency, the DI Scheme member or the PPF Scheme member.

PART 11

OFFENCES

Offences committed by bodies corporate, etc.

66.—(1) Where an offence under this Act committed by a body corporate is proved —

(a) to have been committed with the consent or connivance of an officer; or

(b) to be attributable to any act or default on the officer's part, the officer as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with the member's functions of management as if the member were a director of the body corporate.

(3) Where an offence under this Act committed by a partnership is proved —

(a) to have been committed with the consent or connivance of a partner; or

(b) to be attributable to any act or default on the partner's part,

the partner as well as the partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act committed by a limited liability partnership is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a partner or manager of the limited liability partnership, the partner or manager (as the case may be) as well as the partnership shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(5) Where an offence under this Act committed by an unincorporated association (other than a partnership) is proved —

- (a) to have been committed with the consent or connivance of an officer of the unincorporated association or a member of its governing body; or
- (b) to be attributable to any act or default on the part of such an officer or a member,

the officer or member as well as the unincorporated association shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(6) In this section —

“body corporate” and “partnership” exclude a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005;

“officer” —

- (a) in relation to a body corporate, means any director, member of the committee of management, chief executive officer, manager, secretary or other similar officer of the body corporate and includes any person purporting to act in any such capacity; and
- (b) in relation to an unincorporated association (other than a partnership), means the president, the secretary, or any member of the committee of the unincorporated association, or any person holding a position analogous to that of president, secretary or

member of such a committee and includes any person purporting to act in any such capacity;

“partner” includes a person purporting to act as a partner.

(7) The Minister may make regulations to provide for the application of any provision of this section, with such modifications as the Minister considers appropriate, to any body corporate, limited liability partnership or unincorporated association formed or recognised under the law of a territory outside Singapore.

False statements regarding membership, insured deposits and insured policies

67.—(1) No person may, knowingly or recklessly, make a false or misleading statement as to whether or not —

- (a) any person is a DI Scheme member;
- (b) any person is a PPF Scheme member;
- (c) any deposit or product is an insured deposit; or
- (d) any policy is an insured policy.

(2) Any person who contravenes subsection (1) shall, even though a contract does not come into being, be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

Offence by officer

68.—(1) Any officer of a full bank, finance company or relevant insurer who fails to take all reasonable steps to secure —

- (a) compliance by the full bank, finance company or relevant insurer (as the case may be) with any provision of this Act; or
- (b) the accuracy and correctness of any statement submitted to the Authority, the Agency or such other person as may be required under this Act,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

(2) In any proceedings against a person under subsection (1), it is a defence for the person to prove that he or she had reasonable grounds for believing that another person was charged with the duty of securing compliance with the requirements of this Act, or with the duty of ensuring that those statements were accurate and correct (as the case may be) and that that person was competent, and in a position, to discharge that duty.

(3) A person shall not be sentenced to imprisonment for any offence under subsection (1) unless, in the opinion of the court, he or she committed the offence wilfully.

(4) Despite subsection (1), no officer shall be guilty of an offence where the contravention of any provision of this Act by a full bank, finance company or relevant insurer results in the imposition of only a financial penalty on the full bank, finance company or relevant insurer.

Duty not to provide false information to Authority or Agency

69.—(1) Any person who provides the Authority or the Agency with any information under or for the purposes of any provision of this Act must use due care to ensure that the information is not false or misleading in any material particular.

(2) Subsection (1) applies only to a requirement in relation to which no other provision of this Act creates an offence in connection with the provision of information that is false or misleading in a material particular.

[31/2018]

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

General penalty

70. Any person who is guilty of an offence under this Act for which no penalty is expressly provided shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.

Penalty for corporation

71.—(1) Subject to subsections (2) and (3), where a corporation or body corporate is convicted of an offence under this Act, the penalty that the court may impose is a fine not exceeding 2 times the maximum amount that the court could, but for this subsection, impose as a fine for that offence.

(2) Subsection (1) does not apply to —

- (a) offences under sections 6(8) and 32(8); and
- (b) offences under the subsidiary legislation made under this Act where it is expressly provided in the subsidiary legislation that subsection (1) does not apply to those offences.

(3) Where an individual is convicted of an offence under this Act by virtue of section 66, the individual shall be liable to the fine or imprisonment or both as prescribed for that offence and subsection (1) does not apply.

Jurisdiction of court

72. Despite any provision to the contrary in the Criminal Procedure Code 2010, a District Court has jurisdiction to try any offence under this Act and has power to impose the full penalty or punishment in respect of the offence.

Composition of offences

73.—(1) The Authority may compound any offence under this Act that is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum

of money not exceeding one half of the amount of the maximum fine that is prescribed for the offence.

(2) On payment of the sum of money, no further proceedings may be taken against that person in respect of the offence.

(3) The Authority may make regulations to prescribe the offences which may be compounded.

(4) All sums collected under this section must be paid into the Consolidated Fund.

[31/2018]

PART 12

FINANCIAL AND AUDIT PROVISIONS

Financial provisions with respect to DI Fund, PPF Life Fund and PPF General Fund

74. The financial provisions set out in the Sixth Schedule have effect with respect to all moneys in the DI Fund, the PPF Life Fund and the PPF General Fund, respectively.

Financial provisions with respect to Agency

75. The financial provisions set out in the Seventh Schedule have effect with respect to the Agency.

Annual report of Agency

76. The Agency must, as soon as practicable after the end of each financial year, cause to be prepared and transmitted to the Minister a report dealing generally with the activities of the Agency during the preceding financial year and containing such information relating to the proceedings and policy of the Agency as the Minister may, from time to time, direct.

Three-year estimates of income and expenditure

77.—(1) The Agency must before the start of every period of 3 consecutive financial years beginning 1 April 2019, prepare or cause to be prepared estimates of income and expenditure of the

DI Fund, the PPF Life Fund, the PPF General Fund and the Agency for the 3 ensuing financial years.

[31/2018]

(2) The Agency must also prepare or cause to be prepared a supplementary estimate for any financial year where the estimates prepared under subsection (1) are insufficient.

[31/2018]

(3) All estimates mentioned in subsections (1) and (2) must be presented to the Minister for his or her approval.

[31/2018]

Reporting to Minister

78. If the auditor in the course of the performance of his or her duties as an auditor of the Agency or the DI Fund, PPF Life Fund or PPF General Fund is satisfied that —

- (a) there has been a serious contravention of any provisions of this Act or the Companies Act 1967 or that an offence involving fraud or dishonesty has been committed; or
- (b) serious irregularities have occurred, including irregularities that jeopardise the interests of insured depositors or insured policy owners,

the auditor must immediately report the matter in writing to the Minister.

PART 13

MISCELLANEOUS

Protection from liability

79. No liability shall be incurred by —

- (a) the Agency;
- (b) any director, officer, employee or agent of the Agency; or
- (c) any person acting under the direction of the Agency,

as a result of anything done (including any statement made) or omitted to be done in good faith in —

- (d) the exercise or purported exercise of any power under this Act;
- (e) the performance or purported performance of any function or duty under this Act; or
- (f) the execution or purported execution of this Act.

[31/2018]

Indemnity for Agency's officers against cost of action to which section 79 applies

79A.—(1) The Agency must indemnify a person mentioned in subsection (2) against all costs and expenses reasonably incurred by the person in connection with any action, suit or other legal proceedings to which the person is a party by reason of anything done (including any statement made) or omitted to be done in good faith in the course of or in connection with any of the matters mentioned in section 79(d), (e) or (f).

[31/2018]

(2) Subsection (1) applies to a person who was a person mentioned in section 79(b) or (c) at the time of the alleged act or omission giving rise to the action, suit or proceeding.

[31/2018]

Preservation of confidentiality

80.—(1) No person who is or has been a member, a director, an officer, an employee or an agent of the Agency may disclose any information relating to the affairs of the Agency or of any other person which has been obtained by the firstmentioned person in the performance of his or her duties or the exercise of his or her functions unless such disclosure is made —

- (a) with the permission of the person from whom the information was obtained or, where the information is the confidential information of a third person, with the permission of that third person;
- (b) for the purpose of the performance of his or her duties or the exercise of his or her functions under this Act;

- (c) in compliance with the requirement of any court or any written law; or
- (d) for the purpose of assisting any public officer or officer of any other statutory board in the investigation or prosecution of any offence under any written law.

(2) No person who is or has been a member, a director, an officer, an employee or an agent of the Agency may, for his or her own personal benefit or for the personal benefit of any other person, make use of any information, whether directly or indirectly, which has been obtained by the firstmentioned person in the performance of his or her duties or the exercise of his or her functions.

(3) For the purpose of this section, the reference to a person disclosing or making use of any information includes his or her permitting any other person to have any access to any record, document or other thing which is in the firstmentioned person's possession or under the firstmentioned person's control by virtue of his or her being or having been a member, a director, an officer, an employee or an agent of the Agency.

(4) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

General exemption

81.—(1) The Minister may, by regulations, exempt any person or class of persons from all or any of the provisions of this Act, subject to such terms or conditions as may be prescribed.

(2) The Minister may, on application of any person, by written notice exempt the person from all or any of the provisions of this Act if the Minister considers it appropriate to do so in the circumstances of the case.

(3) An exemption under subsection (2) —

- (a) may be granted subject to such terms or conditions as the Minister may specify by written notice;
- (b) need not be published in the *Gazette*; and

(c) may be withdrawn at any time by the Minister if he or she considers it necessary in the public interest.

(4) Any person who contravenes any term or condition prescribed under subsection (1) or specified by the Minister under subsection (3)(a) shall be guilty of an offence.

Appointment of assistants

82.—(1) The Authority may, subject to such conditions or restrictions as it thinks fit, appoint any person to exercise any of its powers or perform any of its functions or duties under this Act, either generally or in any particular case, except the power to make subsidiary legislation.

(2) The Authority may, by notification in the *Gazette*, appoint one or more of its officers to exercise a power conferred on the Authority to grant an exemption to any person (not being an exemption granted to a class of persons) under this Act, or to revoke any such exemption.

[31/2018]

(3) Any person appointed by the Authority under subsection (1) or (2) is deemed to be a public servant for the purposes of the Penal Code 1871.

[31/2018]

Inspection of books of DI Scheme members and PPF Scheme members

83.—(1) The Authority may from time to time inspect, under conditions of secrecy, the books of any DI Scheme member or PPF Scheme member for the purposes of this Act.

(2) For the purposes of an inspection under this section —

- (a) the DI Scheme member or PPF Scheme member and any other person who is in possession of the books of the DI Scheme member or PPF Scheme member must produce such books to the Authority and give such information or facilities as may be required by the Authority;
- (b) the DI Scheme member or PPF Scheme member must procure that any other person who is in possession of its books produce its books to the Authority and give such

information or facilities as may be required by the Authority; and

- (c) the Authority may —
- (i) make copies of, or take possession of, any of such books;
 - (ii) use, or permit the use of, any of such books for the purposes of any proceedings under this Act; and
 - (iii) retain possession of any of such books for so long as is necessary —
 - (A) for the purposes of exercising a power conferred by this section;
 - (B) for a decision to be made on whether or not proceedings should be commenced under this Act in relation to such books; or
 - (C) for such proceedings to be commenced and carried on.

(3) No person is entitled, as against the Authority, to claim a lien on any of the books, but such a lien is not otherwise affected.

(4) The Authority may require a person who produced any book to the Authority to explain, to the best of the person's knowledge and belief, any matter about the compilation of the book or to which the book relates.

(5) Any person who, without reasonable excuse, contravenes subsection (2) or a requirement of the Authority under subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

Provision of information and production of books

84.—(1) The Authority may, by written notice, require a DI Scheme member or PPF Scheme member to —

- (a) provide such information; or
- (b) produce any book,

at such time and in such manner as the Authority may reasonably require for the proper discharge of its functions.

(2) Any information received from a DI Scheme member or PPF Scheme member under this section must be treated as secret by the Authority.

(3) Nothing in subsection (2) precludes the Authority from disclosing the information if —

- (a) the information is already in the public domain;
- (b) the information is disclosed in such a manner that the identity of an individual DI Scheme member or PPF Scheme member cannot be ascertained;
- (c) the DI Scheme member or PPF Scheme member consents to the disclosure;
- (d) disclosure of the information on individual DI Scheme member or PPF Scheme member is necessary for the Authority's performance of its functions or in the exercise of its powers; or
- (e) disclosure of the information is required or authorised by an order of a court in Singapore, or by or under any written law.

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(4) Any DI Scheme member or PPF Scheme member which fails to or neglects to provide any information or produce any book required by the Authority under this section shall be guilty of an offence.

(5) Any DI Scheme member or PPF Scheme member which in purported compliance with subsection (1), without reasonable care, provides any information or produces any book that is inaccurate, false or misleading shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000.

[31/2018]

Service of documents, etc.

85.—(1) Any notice, order or document required or authorised by this Act to be served on any person may be served —

- (a) by delivering it to the person or to some adult member or employee of his or her family or household at his or her last known place of residence;
- (b) by leaving it at his or her usual or last known place of residence or business in an envelope addressed to the person;
- (c) by sending it by registered post addressed to the person at his or her usual or last known place of residence or business; or
- (d) in the case of a body corporate, firm or body of persons —
 - (i) by delivering it to the secretary or other similar officer of the body corporate, firm or body of persons at its registered office or principal place of business; or
 - (ii) by sending it by registered post addressed to the body corporate, firm or body of persons at its registered office or principal place of business.

(2) Any notice, order or document sent by registered post to any person in accordance with subsection (1) is deemed to be duly served on the person at the time when the notice, order or document (as the case may be) would in the ordinary course of post be delivered.

(3) When proving service of the notice, order or document referred to in subsection (2), it is sufficient to prove that the envelope containing the notice, order or document (as the case may be) was properly addressed, stamped and posted by registered post.

Electronic service

86.—(1) The Authority may provide an electronic service for the service of any notice that is required or authorised by this Act to be served on any person.

(2) The Authority may use the electronic service to serve any notice on behalf of the Agency.

(3) For the purposes of the electronic service, the Authority may assign to any person —

- (a) an authentication code; and
- (b) an account with the electronic service.

(4) Despite section 85, where any person has given his or her consent for any notice to be served on him or her through the electronic service, the Authority may serve the notice on that person by transmitting an electronic record of the notice to that person's account with the electronic service.

(5) Where a person has given his or her consent for a notice to be served on him or her through the electronic service, the notice is deemed to have been served at the time when an electronic record of the notice enters his or her account with the electronic service.

(6) Despite any other written law, in any proceedings under this Act —

- (a) an electronic record of any notice that was served through the electronic service; or
- (b) any copy or print-out of that electronic record,

is admissible as evidence of the facts stated or contained therein if that electronic record, copy or print-out —

- (c) is certified by the Authority to contain all or any information served through the electronic service in accordance with this section; and
- (d) is duly authenticated in the manner specified in subsection (8) or is otherwise authenticated in the manner provided in the Evidence Act 1893 for the authentication of computer output.

(7) To avoid doubt —

- (a) an electronic record of any notice that was served through the electronic service; or

(b) any copy or print-out of that electronic record,
is not inadmissible in evidence merely because the notice was served without the delivery of any equivalent document or counterpart in paper form.

(8) For the purposes of this section, a certificate —

(a) giving the particulars of —

(i) any person whose authentication code was used to serve the notice; and

(ii) any person or device involved in the production or transmission of the electronic record of the notice, or the copy or print-out thereof;

(b) identifying the nature of the electronic record or copy or print-out thereof; and

(c) purporting to be signed by the Authority or by a person occupying a responsible position in relation to the operation of the electronic service at the relevant time,

is sufficient evidence that the electronic record, copy or print-out has been duly authenticated, unless the court, in its discretion, calls for further evidence on this issue.

(9) Where the electronic record of any notice, or a copy or print-out of that electronic record, is admissible under subsection (6), it is presumed, until the contrary is proved, that the electronic record, copy or print-out accurately reproduces the contents of that document.

(10) The Authority may make regulations which are necessary or expedient for carrying out the purposes of this section, including regulations prescribing the procedure for the use of the electronic service, including the procedure in circumstances where there is a breakdown or interruption of the electronic service.

Copies or extracts of books to be admitted in evidence

87.—(1) Subject to this section, a copy of or an extract from a book mentioned in this Act that is proved to be a true copy of the book or of

the relevant part of the book is admissible in evidence as if it were the original book or the relevant part of the original book.

(2) For the purposes of subsection (1), evidence that a copy of or an extract from a book is a true copy of the book or of a part of the book may be given by a person who has compared the copy or extract with the book or the relevant part of the book and may be given orally or by an affidavit sworn, or by a declaration made, before a person authorised to take affidavits or statutory declarations.

Application of Companies Act 1967

88. Nothing in this Act, with the exception of sections 58, 59, 60, 62 and 79, affects the operation of the Companies Act 1967 in relation to its application to a company that is designated as the deposit insurance and policy owners' protection fund agency under section 56.

Insurance Act 1966 not to apply in relation to certain parts

89. The provisions of the Insurance Act 1966 (except where expressly mentioned) do not apply to the Agency and anything done by it under this Act.

Amendment of Schedules

90.—(1) The Minister may at any time, by order in the *Gazette*, amend any Schedule except the Fifth, Sixth and Seventh Schedules.

(2) The Minister may, in any order made under subsection (1), make such incidental, consequential or supplementary provisions as may be necessary or expedient.

(3) Any order made under subsection (1) must be presented to Parliament as soon as possible after publication in the *Gazette*.

Regulations

91.—(1) The Minister may, with the exception of those matters which may be prescribed by the Authority under this Act, make regulations for carrying out the purposes and provisions of this Act and for the due administration thereof.

(2) Except as otherwise expressly provided in this Act, regulations made under this Act may —

- (a) be of general or specific application; and
- (b) provide that a contravention thereof shall be punishable —
 - (i) in the case of an individual, with a fine not exceeding \$12,500 or with imprisonment for a term not exceeding 12 months or both and, in the case of a continuing offence, with a further fine not exceeding \$1,250 for every day or part of a day during which the offence continues after conviction; or
 - (ii) in the case of a company or body corporate, with a fine not exceeding \$25,000 and, in the case of a continuing offence, with a further fine not exceeding \$2,500 for every day or part of a day during which the offence continues after conviction.

Saving and transitional provisions

92.—(1) Any exemption granted by the Authority under section 6(2) of the repealed Act immediately before 1 May 2011 continues and is deemed to have been granted under section 6(2) of this Act, and any condition to which the exemption was subject immediately before that date continues and is deemed to have been imposed under section 6(5) of this Act.

(2) Any assets, investments or moneys which were part of the DI Fund established under section 9(1) of the repealed Act (whether held in the name of the DI Fund or otherwise) immediately before 1 May 2011, are deemed to be assets, investments and moneys forming part of the DI Fund reconstituted under section 9(1) of this Act.

(3) Any approval granted by the Minister under section 11 of the repealed Act in respect of the types of investments that the Agency may invest any money in the DI Fund, continues and is deemed to have been granted by the Minister under section 11 of this Act.

(4) Any director holding office at the company designated by the Minister under section 12 of the repealed Act to be the deposit

insurance agency immediately before 1 May 2011, continues to hold appointment as such at the company designated by the Minister under section 56 of this Act.

(5) The following provisions apply to the Chief Executive, other officers, employees, consultants and agents appointed as such by the company designated by the Minister under section 12 of the repealed Act to be the deposit insurance agency, pursuant to section 18 of that Act immediately before 1 May 2011:

- (a) the Chief Executive, other officers, employees, consultants and agents continue to hold such appointments and are deemed to have been appointed as such under section 62 of this Act;
- (b) the terms and conditions to which their appointments were subject to immediately before 1 May 2011 continue and are deemed to have been imposed under or pursuant to this Act.

(6) Subject to subsection (8), every DI Scheme member which has received a notice to pay a premium contribution under section 23 of the repealed Act for the premium year beginning on 1 April 2011 and ending on 31 March 2012, may from 1 May 2011 be required to pay a further premium contribution under this Act in respect of the period commencing on 1 May 2011 until 31 March 2012 (both days inclusive).

(7) Sections 12, 14, 16, 17 and 18 of this Act apply, with the necessary modifications, to any payment of further premium contribution.

(8) Despite subsection (7), the Authority must, when computing the amount of further premium contribution payable by a DI Scheme member, take into consideration any premium contribution which that DI Scheme member has paid under the repealed Act for the premium year beginning on 1 April 2011 and ending on 31 March 2012.

(9) Section 19 of this Act applies, with the necessary modifications, to any premium contribution which a DI Scheme member has received a notice to pay under section 23 of the repealed Act for the

premium year beginning on 1 April 2011 and ending on 31 March 2012.

(10) Any act or purported act of the Agency (including the entering into of an agreement by the Agency and any act done on behalf of the Agency by an officer or agent of the Agency under any purported authority, whether express or implied, of the Agency) in respect of the PPF Scheme after 1 May 2011 but before the memorandum and articles of association of the Agency have been amended is not invalid by reason only of the fact that the Agency was without capacity or power to do such act.

(11) To avoid doubt, section 25(2) and (3) of the Companies Act 1967 does not apply to any act or purported act of the Agency referred to in subsection (10).

(12) In this section, a reference to a provision of the repealed Act is a reference to that provision of that Act in force immediately before 1 May 2011.

FIRST SCHEDULE

Sections 2(1) and 90(1)

INSURED DEPOSIT AND MAXIMUM DI COVERAGE

In this Act —

“insured deposit” means —

(a) any of the following deposits in Singapore dollars, placed with any DI Scheme member in any of its branches in Singapore:

- (i) a deposit in a savings account;
- (ii) a deposit in a fixed deposit account;
- (iii) a deposit in a current account,

including any accrued interest that has been credited to the relevant accounts for each of the deposits specified in sub-paragraphs (i), (ii) and (iii), regardless of whether such a deposit is pledged, charged or secured as collateral or whether such a deposit or part thereof is set aside in respect of any debt owing to the DI Scheme member and cannot be withdrawn until and unless the debt is repaid;

FIRST SCHEDULE — *continued*

(b) any moneys denominated in Singapore dollars placed with any DI Scheme member under the CPFIS, CPFRS or the Supplementary Retirement Scheme; and

(c) such product as may be prescribed by the Authority,

but does not include any structured deposit as defined in the Financial Advisers (Structured Deposits — Prescribed Investment Product and Exemption) Regulations;

“Maximum DI Coverage” means the amount of \$75,000.

[26/2016; 31/2018]

SECOND SCHEDULE

Sections 38(6), 47(2) and 90(1)

CATEGORIES OF INSURED POLICIES

Insured policies must be classified into one of the following 4 categories:

(a) Category 1 insured policies, comprising any of the following types of policies or riders:

(i) any individual accident and health policy;

(ii) any group health policy;

(iii) any group personal accident policy;

(iv) any rider to an individual policy, whether or not it is a Category 1 insured policy, with the exception of a rider which, upon the occurrence of a claim event —

(A) accelerates the payment of part or all of the sum assured stated in the policy; or

(B) provides for a payout of an additional sum of money over and above the sum assured stated in the policy;

(v) the part of any insured policy, whether or not it is a Category 1 insured policy —

(A) comprising the accumulated values (including interest which has accrued on such values) of coupon deposits, advance premium payments and unclaimed moneys under such insured policy; and

(B) excluding such coupon deposits, advance premium payments and unclaimed moneys as have been

SECOND SCHEDULE — *continued*

factored, in whole or in part, in the surrender value computation by the PPF Scheme member;

- (vi) any accident and health benefit payable under a Category 4 insured policy (other than a benefit that accelerates the payment of part or all of the sum assured stated in the policy);
- (b) Category 2 insured policies, comprising any of the following types of policies or riders:
- (i) any individual policy (other than a Category 1 or 3 insured policy);
 - (ii) any voluntary group term policy;
 - (iii) any voluntary group whole life policy;
 - (iv) any voluntary group endowment policy;
 - (v) any rider, whether or not it is a Category 2 insured policy, which accelerates the payment of all or part of the sum assured stated in the policy or provides for a payout of an additional sum of money over and above the sum assured stated in the policy upon occurrence of a claim event,
- except that any accident and health benefit (other than those benefits that accelerate the payment of part or all of the sum assured stated in the policy) payable under any such policy, must be classified as a Category 1 insured policy;
- (c) Category 3 insured policies, comprising any annuity where the insured policy owner is an individual and any voluntary group annuity policy;
- (d) Category 4 insured policies, comprising any of the following types of policies or riders:
- (i) any non-voluntary group insurance policy, being a non-voluntary group term policy, non-voluntary group whole life policy, non-voluntary group endowment policy or non-voluntary group annuity policy;
 - (ii) any rider of a non-voluntary group insurance policy which, upon the occurrence of a claim event —
 - (A) accelerates the payment of part or all of the sum assured stated in the policy; or
 - (B) provides for a payout of an additional sum of money over and above the sum assured stated in the policy,

SECOND SCHEDULE — *continued*

other than any accident and health benefit, not being a benefit under a rider that accelerates the payment of part or all of the sum assured stated in the policy, payable under any such policy.

[31/2018]

THIRD SCHEDULE

Sections 2(1), 54(8), 90(1) and
Fourth Schedule

PROTECTED LIABILITIES

1. For the purposes of computing the levies payable by PPF Scheme members under section 38, the aggregate amount of the protected liabilities of a PPF Scheme member in respect of its insured policies covered under the PPF Life Fund is the aggregate of all the following amounts:

- (a) in the case of Category 1 insured policies, an amount equivalent to the product of the protection ratio referred to in paragraph 2(a) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies;
- (b) in the case of Category 2 insured policies, an amount calculated in accordance with the following formula:

$$\frac{(A + B)}{2} \times C,$$

where A is the protection ratio for sum assured referred to in paragraph 2(b) of the Fourth Schedule;

B is the protection ratio for surrender value referred to in paragraph 2(c) of the Fourth Schedule; and

C is the guaranteed policy liabilities for each of such Category 2 insured policies;

- (c) in the case of Category 3 insured policies, an amount equivalent to the product of the protection ratio referred to in paragraph 2(d) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies;
- (d) in the case of Category 4 insured policies —
 - (i) where the insured policies are group term policies, group endowment policies or group whole life policies, an amount calculated in accordance with the following formula:

THIRD SCHEDULE — *continued*

$$\frac{(D + E)}{2} \times F,$$

where D is the protection ratio for sum assured referred to in paragraph 2(e)(i) of the Fourth Schedule;

E is the protection ratio for surrender value referred to in paragraph 2(e)(ii) of the Fourth Schedule; and

F is the guaranteed policy liabilities for each of such group term policies, group endowment policies or group whole life policies; and

- (ii) where the insured policies are group annuity policies, an amount equivalent to the product of the protection ratio for commuted value referred to in paragraph 2(e)(iii) of the Fourth Schedule and the guaranteed policy liabilities for each of such policies.

2. For the purposes of computing the compensation to be paid out to an insured policy owner from the PPF General Fund under section 48A, the aggregate amount of the protected liabilities in respect of the insured policy owner's insured policy issued by a failed PPF Scheme member is calculated in the following manner:

- (a) in the case of a compulsory insurance policy, the full amount of any liability of the failed PPF Scheme member under the insured policy, in respect of a sum payable to any person entitled to the benefit under the terms of any compulsory insurance policy, which arises from a liability of the policy owner that is subject to compulsory insurance, including the full amount of any such liability which becomes payable before, or within 30 days after, the quantification date;
- (b) in all other cases, the full amount of any liability of the failed PPF Scheme member to the insured policy owner under the terms of the insured policy, including the full amount of any such liability which becomes payable before, or within 30 days after, the quantification date.

3. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF General Fund in the event of a claim under the insured policy owner's insured policy, which occurs after the transfer or during the run-off of the insurance business of the failed PPF Scheme member

THIRD SCHEDULE — *continued*

under section 54, the protected liabilities in respect of the insured policy owner's insured policy are —

- (a) in the case of a compulsory insurance policy, the full amount of any liability of the failed PPF Scheme member under the insured policy for a sum payable to any person entitled to the benefit under the terms of the compulsory insurance policy for a liability of the policy owner that is subject to compulsory insurance, including the full amount of any such liability of the failed PPF Scheme member which becomes payable before, or within 30 days after, the quantification date; and
- (b) in all other cases, the full amount of any liability of the failed PPF Scheme member to the insured policy owner under the terms of the insured policy, including the full amount of any such liability of the failed PPF Scheme member which becomes payable before, or within 30 days after, the quantification date.

4. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF General Fund in the event of termination of an insured policy issued by the failed PPF Scheme member under section 54, the protected liabilities in respect of the insured policy are —

- (a) in the case of a compulsory insurance policy, the full amount of any liability of the failed PPF Scheme member under the insured policy before the termination, in respect of a sum payable to any person entitled to the benefit under the terms of the compulsory insurance policy for a liability of the policy owner that is subject to compulsory insurance before the termination of the policy; and
- (b) in all other cases, the full amount of any liability of the failed PPF Scheme member to the insured policy owner under the terms of the insured policy applicable before the termination.

5. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF Life Fund in the event of a claim under the insured policy owner's insured policy, which occurs after the transfer or during the run-off of the insurance business of the failed PPF Scheme member under section 54, the protected liabilities in respect of the insured policy owner's insured policy are computed in the following manner:

- (a) in the case of a Category 1 insured policy, the product of the protection ratio referred to in paragraph 2(a) of the Fourth Schedule and the guaranteed policy liabilities for the policy;
- (b) in the case of a Category 2 insured policy, an amount calculated in accordance with the following formula:

THIRD SCHEDULE — *continued*

$$\frac{A + B}{2} \times C,$$

where A is the protection ratio for the sum assured mentioned in paragraph 2(b) of the Fourth Schedule;

B is the protection ratio for the surrender value mentioned in paragraph 2(c) of the Fourth Schedule; and

C is the guaranteed policy liabilities for each of such Category 2 insured policies;

(c) in the case of a Category 3 insured policy, the product of the protection ratio referred to in paragraph 2(d) of the Fourth Schedule and the guaranteed policy liabilities for the policy;

(d) in the case of a Category 4 insured policy —

(i) where the policy is a group term policy, group endowment policy or group whole life policy, the policy liabilities valued in accordance with regulations prescribed pursuant to section 17 of the Insurance Act 1966 for the valuation of assets and liabilities in an insurance fund using —

(A) the adjusted sum assured which is the product of the protection ratio for sum assured referred to in paragraph 2(e)(i) of the Fourth Schedule and the sum assured guaranteed under the policy; and

(B) the adjusted surrender value which is the product of the protection ratio for surrender value referred to in paragraph 2(e)(ii) of the Fourth Schedule and the surrender value guaranteed under the policy; and

(ii) where the policy is a group annuity policy, the product of the protection ratio for commuted value referred to in paragraph 2(e)(iii) of the Fourth Schedule and the guaranteed policy liabilities for the policy.

6. For the purposes of determining the amount of benefits that an insured policy owner is entitled to receive from the PPF Life Fund in the event of termination of insured policies issued by the failed PPF Scheme member under section 54, the protected liabilities in respect of the insured policy owner's insured policy are —

(a) in the case of a Category 1 insured policy, the product of the protection ratio mentioned in paragraph 2(a) of the Fourth Schedule and the

THIRD SCHEDULE — *continued*

guaranteed policy liabilities for the policy applicable before the termination;

- (b) in the case of a Category 2 insured policy, the policy liabilities valued in accordance with regulations prescribed under section 17 of the Insurance Act 1966 for the valuation of assets and liabilities in an insurance fund before the termination of the policy using —
 - (i) the adjusted guaranteed sum assured, which is the product of the protection ratio for the sum assured mentioned in paragraph 2(b) of the Fourth Schedule and the sum assured guaranteed under the policy applicable before the termination; and
 - (ii) the adjusted surrender value, which is the product of —
 - (A) the protection ratio for the surrender value mentioned in paragraph 2(c) of the Fourth Schedule; and
 - (B) the surrender value guaranteed under the policy applicable before the termination, or if there is no such surrender value, the commuted value of the amount of guaranteed benefit payments under the policy if it had been in force at the time of the commuting;
- (c) in the case of a Category 3 insured policy, the product of the protection ratio mentioned in paragraph 2(d) of the Fourth Schedule and the guaranteed policy liabilities for the policy applicable before the termination; and
- (d) in the case of a Category 4 insured policy —
 - (i) where the policy is a group term policy, group endowment policy or group whole life policy, the policy liabilities valued in accordance with regulations prescribed under section 17 of the Insurance Act 1966 for the valuation of assets and liabilities in an insurance fund before the termination of the policy using —
 - (A) the adjusted sum assured, which is the product of the protection ratio for the sum assured mentioned in paragraph 2(e)(i) of the Fourth Schedule and the sum assured guaranteed under the policy applicable before the termination; and
 - (B) the adjusted surrender value, which is the product of the protection ratio for the surrender value mentioned in paragraph 2(e)(ii) of the Fourth Schedule and the surrender value guaranteed under the policy applicable

THIRD SCHEDULE — *continued*

before the termination, or if not available, the commuted value of the amount of guaranteed benefit payments under the policy if it had been in force at the time of the commuting; and

- (ii) where the policy is a group annuity policy, the product of the protection ratio for the commuted value mentioned in paragraph 2(e)(iii) of the Fourth Schedule and the guaranteed policy liabilities for the policy applicable before the termination.

[31/2018]

FOURTH SCHEDULE

Sections 2(1), 47(2), 90(1) and
Third Schedule

PROTECTION RATIO

1. In this Schedule —

“Maximum Annuity Sum” means the amount of \$100,000;

“Maximum Group Sum Assured” means the amount of \$100,000;

“Maximum Group Surrender Value” means the amount of \$50,000;

“Maximum Sum Assured” means the amount of \$500,000;

“Maximum Surrender Value” means the amount of \$100,000.

2. For the purposes of section 47 and the Third Schedule, the protection ratio is determined in the following manner:

(a) in the case of Category 1 insured policies, 1;

(b) for the sum assured for Category 2 insured policies, in respect of each life assured —

- (i) the ratio of the Maximum Sum Assured to the aggregate amount or (where instalment payments have, before the quantification date, been made to a covered party) the aggregate remaining amount, of the sum assured on the life assured guaranteed under all such policies (other than riders which accelerate the payment of part or all of the sum assured stated in the policy), upon the occurrence of a claim event (including the sum assured on any rider which provides additional payout of the sum assured upon the occurrence of a claim event); or

FOURTH SCHEDULE — *continued*

- (ii) 1,
whichever is lower;
- (c) for the surrender value for Category 2 insured policies, in respect of each life assured —
 - (i) the ratio of the Maximum Surrender Value to the aggregate amount of the surrender value guaranteed (in the event that the insured policy owner or trustee of a trust of the insured policy has given written notice to the failed PPF Scheme member to surrender the policy) under all such policies; or
 - (ii) 1,
whichever is lower;
- (d) in the case of Category 3 insured policies, in respect of each life assured —
 - (i) the ratio of the Maximum Annuity Sum to the aggregate amount of commuted value of benefits guaranteed under all such policies; or
 - (ii) 1,
whichever is lower;
- (e) in the case of Category 4 insured policies, in respect of each life assured per policy —
 - (i) for the sum assured under a group policy —
 - (A) the ratio of the Maximum Group Sum Assured to the amount of sum assured guaranteed under each group term, endowment policy or whole life policy, as the case may be; or
 - (B) 1,
whichever is lower;
 - (ii) for the surrender value under a group policy —
 - (A) the ratio of the Maximum Group Surrender Value to the amount of surrender value guaranteed for each group endowment or whole life policy, as the case may be; or
 - (B) 1,
whichever is lower;

FOURTH SCHEDULE — *continued*

- (iii) for the commuted value of group annuity —
- (A) the ratio of the Maximum Annuity Sum to the amount of commuted value of guaranteed benefits for each group annuity policy; or
- (B) 1,
- whichever is lower.

[31/2018]

FIFTH SCHEDULE

Sections 27(8) and 52(8)

PROVISIONS APPLICABLE TO THE HOLDING AND
PAYMENT OF COMPENSATION BY THE
PUBLIC TRUSTEE TO PERSONS ENTITLED TO
PAYMENT OF COMPENSATION UNDER THIS ACT

1. The Public Trustee must hold the payment of compensation made to the Public Trustee under sections 27 and 52 (called in this Schedule compensation moneys) as a bare trustee until such compensation moneys are paid out to the insured depositors, persons referred to in section 22(7), insured policy owners, or beneficiaries under insured policies which are covered under the PPF General Fund and provide third party benefits (as the case may be) (called in this Schedule the entitled persons) or the Consolidated Fund.

2. The Public Trustee is not under a duty to do any of the following:

- (a) take any step to trace or contact any entitled person for the purpose of making payment of the compensation moneys to the person;
- (b) despite section 10(3) of the Public Trustee Act 1915 and rule 22 of the Public Trustee Rules, invest any compensation moneys for the benefit of any entitled person;
- (c) despite section 21 of the Public Trustee Act 1915 and rule 22 of the Public Trustee Rules, pay any interest on any compensation moneys to any entitled person.

3. The Public Trustee may hold the compensation moneys up to a maximum period of 7 years from the date of receipt of such compensation moneys and if they remain unclaimed at the expiry of that period, the compensation moneys together with any interest earned thereon must be paid into the Consolidated Fund.

4. If any claim is made by any entitled person to any part of the compensation moneys so transferred to the Consolidated Fund and if the claim is established to the Public Trustee's satisfaction, the amount certified by the Public Trustee to be

FIFTH SCHEDULE — *continued*

due to the claimant must be paid to the claimant, without interest, from the Consolidated Fund.

5. The Agency must, based on the books of the failed DI Scheme member or PPF Scheme member (as the case may be) provide the particulars of each entitled person and the amount of compensation moneys due to such person (called in this Schedule the computed compensation amount) to the Public Trustee at the time of payment of the compensation moneys to the Public Trustee.

6. In the event that an entitled person makes a claim to any part of the compensation moneys with the Public Trustee, the Public Trustee may make payment of the computed compensation amount to the entitled person and in making payment of such moneys to the entitled person, the Public Trustee is entitled to rely on the particulars and computed compensation amount referred in paragraph 5.

7. Where the particulars of a claimant are not found in the particulars provided by the Agency to the Public Trustee under paragraph 5, the Public Trustee must refer the claimant to the Agency and the Agency must determine whether the claimant is an entitled person. If the Agency determines that the claimant is an entitled person, the Agency must provide a confirmation to the Public Trustee stating the computed compensation amount due to the claimant, whereupon the Public Trustee is entitled to rely on the confirmation and make payment of the computed compensation amount to the claimant.

8. Where an entitled person makes a claim for an amount of compensation moneys with the Public Trustee which is greater than the computed compensation amount, the Public Trustee may only pay the computed compensation amount to the entitled person and refer the entitled person to the Agency to claim the shortfall between the firstmentioned amount and the computed compensation amount.

9. Where any compensation moneys is paid in error or excess by the Agency to the Public Trustee, the Agency must notify the Public Trustee in writing of such amount paid in error or excess and the following apply:

- (a) in the case where such amount paid in error or excess has not been paid out by the Public Trustee in accordance with this Schedule, the Public Trustee must refund the amount paid in error or excess to the Agency;
- (b) in the case where such amount paid in error or excess has been paid out by the Public Trustee to an entitled person in accordance with this Schedule, the Agency must recover the amount paid in error or excess from the entitled person under section 28 or 53, as the case may be.

10. No liability shall be incurred by the Public Trustee as a result of anything done (including any statement made) or omitted to be done with reasonable care

FIFTH SCHEDULE — *continued*

and in good faith in the performance or purported performance of any function or duty referred to in this Act.

[44/2014]

SIXTH SCHEDULE

Section 74

FINANCIAL PROVISIONS WITH RESPECT TO
DI FUND, PPF LIFE FUND
AND PPF GENERAL FUND

Financial year

1.—(1) The financial year of the DI Fund begins on 1 April of every year and ends on 31 March of the following year.

(2) The financial year of the PPF Life Fund and the PPF General Fund begins on 1 April of every year and ends on 31 March of the following year.

Accounts of DI Fund, PPF Life Fund and PPF General Fund

2. The Agency must —

- (a) keep or cause to be kept proper accounts and records of the transactions and affairs in respect of the DI Fund, PPF Life Fund and PPF General Fund; and
- (b) after the close of each financial year prepare financial statements in respect of the DI Fund, PPF Life Fund and PPF General Fund for that year.

Auditor

3. The accounts must be audited by such auditor as may be appointed annually by the Agency.

Appointment of auditor

4. A person is not qualified for appointment as an auditor under paragraph 3 unless he or she is a public accountant who is registered or deemed to be registered under the Accountants Act 2004.

Annual financial statements

5. The Agency must, as soon as practicable after the close of each financial year, prepare and submit financial statements in respect of that year to the auditor.

SIXTH SCHEDULE — *continued*

Remuneration of auditor

6. The remuneration of the auditor must be paid out of the DI Fund, PPF Life Fund and PPF General Fund in such proportion as the Agency considers proper.

Duties of auditor

7. The auditor must in the auditor's report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the DI Fund, PPF Life Fund and PPF General Fund, respectively;
- (b) whether proper accounting and other records have been kept, including records of all assets of the DI Fund, PPF Life Fund and PPF General Fund, respectively, whether purchased, donated or otherwise;
- (c) whether the receipts, expenditure and investment of moneys by the DI Fund, PPF Life Fund and PPF General Fund, respectively, during the financial year were in accordance with the provisions of this Act; and
- (d) such other matters arising from the audit as the auditor considers necessary.

Auditor's report

8.—(1) The auditor must, as soon as practicable after the accounts have been submitted for audit, send a report of the auditor's audit to the Agency.

(2) The auditor must submit such periodical and special reports to the Minister and to the Agency as may appear to the auditor to be necessary or as the Minister or the Agency may require.

Powers of auditor

9.—(1) The auditor or any person authorised by the auditor is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the DI Fund, PPF Life Fund and PPF General Fund, and may make copies of or extracts from any such accounting and other records.

(2) The auditor or any person authorised by the auditor may require any person to provide the auditor or any person authorised by the auditor with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of the auditor's functions under this Act.

SIXTH SCHEDULE — *continued*

Penalty for obstructing auditor

10. Any person who, without reasonable excuse, fails to comply with any requirement of the auditor under paragraph 9(2) or who otherwise hinders, obstructs or delays the auditor in the performance of the auditor's duties or the exercise of the auditor's powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$4,000.

Presentation of audited financial statements and auditor's report

11. The Agency must, as soon as the financial statements have been audited in accordance with the provisions of this Act, submit a copy of the audited financial statements, together with a copy of the auditor's report, to the Minister.

[31/2018]

SEVENTH SCHEDULE

Section 75

FINANCIAL PROVISIONS WITH RESPECT TO AGENCY

Financial year

1. The financial year of the Agency comprises such period as may be specified in the constitution of the Agency.

Accounts of Agency

2. The Agency must keep proper accounts and records of its transactions and affairs and must do all things necessary to ensure that all payments out of its moneys are properly authorised and correctly made and that adequate control is maintained over the assets of, or in the custody of, the Agency and over the expenditure incurred by the Agency.

Auditor

3. The accounts of the Agency must be audited by such auditor as may be appointed annually by the Agency.

Appointment of auditor

4. A person is not qualified for appointment as an auditor under paragraph 3 unless he or she is a public accountant who is registered or deemed to be registered under the Accountants Act 2004.

SEVENTH SCHEDULE — *continued*

Remuneration of auditor

5. The remuneration of the auditor must be paid out of the DI Fund, PPF Life Fund and PPF General Fund in such proportion as the Agency considers proper.

Annual financial statements

6. The Agency must, as soon as practicable after the close of each financial year, prepare and submit financial statements in respect of that year to the auditor of the Agency.

Duties of auditor

7. The auditor must in the auditor's report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Agency;
- (b) whether proper accounting and other records have been kept, including records of all assets of the Agency, whether purchased, donated or otherwise;
- (c) whether the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Agency during the financial year were in accordance with the provisions of this Act; and
- (d) such other matters arising from the audit as the auditor considers necessary.

Auditor's report

8.—(1) The auditor must, as soon as practicable after the accounts have been submitted for audit, send a report of his or her audit to the Agency.

(2) The auditor must submit such periodical and special reports to the Minister and to the Agency as may appear to the auditor to be necessary or as the Minister or the Agency may require.

Powers of auditor

9.—(1) The auditor or any person authorised by the auditor is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Agency and may make copies of or extracts from any such accounting and other records.

(2) The auditor or any person authorised by the auditor may require any person to provide him or her with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of the auditor's functions under this Act.

SEVENTH SCHEDULE — *continued*

Penalty for obstructing auditor

10. Any person who, without reasonable excuse, fails to comply with any requirement of the auditor under paragraph 9(2) or who otherwise hinders, obstructs or delays the auditor in the performance of his or her duties or the exercise of his or her powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$4,000.

Presentation of audited financial statements and auditor's report

11. The Agency must, as soon as the financial statements have been audited in accordance with the provisions of this Act, submit a copy of the audited financial statements, together with a copy of the auditor's report, to the Minister.

[31/2018]

LEGISLATIVE HISTORY
DEPOSIT INSURANCE AND
POLICY OWNERS' PROTECTION
SCHEMES ACT 2011

This Legislative History is a service provided by the Law Revision Commission on a best-efforts basis. It is not part of the Act.

1. Act 15 of 2011 — Deposit Insurance and Policy Owners' Protection Schemes Act 2011

Date of First Reading	:	10 March 2011 (Bill No. 10/2011 published on 10 March 2011)
Date of Second and Third Readings	:	11 April 2011
Date of commencement	:	1 May 2011

Note: The Deposit Insurance and Policy Owners' Protection Schemes Act 2011 repealed the Deposit Insurance Act (Chapter 77A, 2006 Revised Edition).

2. 2012 Revised Edition — Deposit Insurance and Policy Owners' Protection Schemes Act (Chapter 77B)

Date of operation	:	31 December 2012
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3. Act 11 of 2013 — Insurance (Amendment) Act 2013

Date of First Reading	:	4 February 2013 (Bill No. 5/2013 published on 4 February 2013)
Date of Second and Third Readings	:	15 March 2013
Date of commencement	:	18 April 2013

4. Act 44 of 2014 — Public Trustee (Amendment) Act 2014

Date of First Reading	:	7 October 2014 (Bill No. 34/2014 published on 7 October 2014)
Date of Second and Third Readings	:	3 November 2014
Date of commencement	:	31 December 2014

5. Act 26 of 2016 — Central Provident Fund (Amendment No. 2) Act 2016

Date of First Reading	:	13 September 2016 (Bill No. 26/2016 published on 13 September 2016)
Date of Second and Third Readings	:	10 October 2016
Date of commencement	:	1 January 2017

6. Act 31 of 2017 — Monetary Authority of Singapore (Amendment) Act 2017

Date of First Reading	:	8 May 2017 (Bill No. 25/2017)
Date of Second and Third Readings	:	4 July 2017
Date of commencement	:	29 October 2018

7. Act 31 of 2018 — Deposit Insurance and Policy Owners' Protection Schemes (Amendment) Act 2018

Date of First Reading	:	17 May 2018 (Bill No. 21/2018 published on 17 May 2018)
Date of Second and Third Readings	:	9 July 2018
Date of commencement	:	1 April 2019

8. Act 40 of 2018 — Insolvency, Restructuring and Dissolution Act 2018

Date of First Reading	:	10 September 2018 (Bill No. 32/2018 published on 10 September 2018)
Date of Second and Third Readings	:	1 October 2018
Date of commencement	:	30 July 2020

9. Act 27 of 2019 — Work Injury Compensation Act 2019

Date of First Reading	:	5 August 2019 (Bill No. 21/2019 published on 5 August 2019)
Date of Second and Third Readings	:	3 September 2019
Date of commencement	:	1 September 2020

10. Act 40 of 2019 — Supreme Court of Judicature (Amendment) Act 2019

Date of First Reading	:	7 October 2019 (Bill No. 32/2019 published on 7 October 2019)
Date of Second and Third Readings	:	5 November 2019
Date of commencement	:	2 January 2021

11. Act 1 of 2020 — Banking (Amendment) Act 2020

Date of First Reading	:	4 November 2019 (Bill No. 35/2019)
Date of Second and Third Readings	:	6 January 2020
Date of commencement	:	1 July 2021

12. 2020 Revised Edition — Deposit Insurance and Policy Owners' Protection Schemes Act 2011

Operation	:	31 December 2021
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Abbreviations

C.P.	Council Paper
G.N. No. S (N.S.)	Government Notification Number Singapore (New Series)
G.N. No.	Government Notification Number
G.N. No. S	Government Notification Number Singapore
G.N. Sp. No. S	Government Notification Special Number Singapore
L.A.	Legislative Assembly
L.N.	Legal Notification (Federal/Malaysian Subsidiary Legislation)
M. Act	Malayan Act/Malaysia Act
M. Ordinance	Malayan Ordinance
Parl.	Parliament
S.S.G.G. (E) No.	Straits Settlements Government Gazette (Extraordinary) Number
S.S.G.G. No.	Straits Settlements Government Gazette Number

COMPARATIVE TABLE
DEPOSIT INSURANCE AND
POLICY OWNERS' PROTECTION
SCHEMES ACT 2011

This Act has undergone renumbering in the 2020 Revised Edition. This Comparative Table is provided to help readers locate the corresponding provisions in the last Revised Edition.

2020 Ed.	2012 Ed.
9—(4)	9—(3A)
(5)	(4)
(6)	(5)
10—(2)	10—(1A)
(3)	(2)
46—(2)	46—(1A)
(3)	(1B)
(4)	(2)
(5)	(3)
(6)	(4)
(7)	(5)
(8)	(6)
(9)	(7)
54—(2)	54—(1A)
(3)	(2)
(4)	(3)
(5)	(3A)
(6)	(3B)
(7)	(3C)
(8)	(4)
(9)	(5)
57—(4)	57—(3A)

2020 Ed.	2012 Ed.
(5)	(4)
82—(2)	82—(1A)
(3)	(2)
[<i>Omitted as spent</i>]	92—(12)
92—(12)	(13)