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GOVERNMENT GAZETTE

BILLS SUPPLEMENT

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Banking Bill

Bill No. 168/2020.

Read the first time on 16th January 1962.

A BILL

i n t i t u l e d

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

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

PART I
PRELIMINARY

Short title and commencement

- 5 **1.** This Ordinance may be cited as the Banking Ordinance, 1962, and shall come into operation on such date as the Minister may by notification in the *Gazette* appoint.

Interpretation

2. In this Ordinance, unless the context otherwise requires —
- “bank” means any company which carries on banking business;
- 10 “banking business” means the business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, and making advances to customers;
- 15 “company” means any company incorporated formed and registered under the Companies Ordinance and any company formed in pursuance of any other written law in Singapore or by Royal Charter or Letters Patent of the United Kingdom; and includes any company incorporated outside Singapore which has complied with the provisions of Part X
- 20 of the Companies Ordinance;
- “Inspector” means the Inspector of Banks appointed under section 17 of this Ordinance;
- “license” means a license granted under section 3 or section 34 of this Ordinance;
- 25 “licensed bank” means a bank holding a valid license and all the offices and branches in Singapore of such a bank shall be deemed to be one bank.

PART II

LICENSING OF BANKS

Banking business to be transacted only by a licensed bank

3.—(1) Banking business shall not be transacted in Singapore except by a company which is in possession of a license in writing from the Minister authorising it to do so. 5

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

- (a) a copy of the memorandum of association and articles of association or other instrument under which the company is incorporated, duly verified by a statutory declaration made by a senior officer of the company; 10
- (b) a copy of the latest balance-sheet of the company; and
- (c) such other information as may be called for by the Minister. 15

(3) Upon receiving an application under subsection (2) of this section the Inspector shall consider the application and make a recommendation to the Minister stating whether a licence should be granted or not and the conditions (if any) to be attached to the licence. 20

(4) Upon receiving an application under subsection (2) of this section and the recommendation of the Inspector under subsection (3) of this section the Minister may subject to the provisions of section 4 of this Ordinance, grant a licence, with or without conditions, or refuse a license. 25

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

Provided that the Minister shall, prior to any such action, notify his intention to take such action to the licensed bank concerned and shall give the bank an opportunity to submit reasons why its licence should not be so amended. 30

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

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

(8) Any licensed bank which fails to comply with any conditions of its licence shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding five thousand dollars.

Licences not to be granted or valid in certain cases

4. No bank shall be granted a licence under subsection (4) of section 3 of this Ordinance, nor shall any bank licensed thereunder carry on business in Singapore without the written consent of the Minister if —

(a) in the case of a bank whose head office is situated in Singapore, its capital issued and paid up in cash is less than two million Malayan dollars;

(b) in the case of a bank whose head office is situated outside Singapore —

(i) its capital issued and paid up is equivalent to less than five million Malayan dollars; or

(ii) it holds less than two million Malayan dollars in Singapore in respect of its business in Singapore, in the form of immovable property, or such other kinds of assets as the Minister may approve, or both.

Restriction on use of title “bank” and on use of certain words in a bank’s name

5.—(1) Except with the consent in writing of the Minister, a person or body of persons not being a licensed bank shall not assume or use in relation to the business or any part of the business carried on by that

person or body or persons the word “bank” or any of its derivatives or any word indicating the carrying on of banking business.

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

(3) Nothing in this section shall apply to any association of banks or of employees of banks formed for the promotion of their mutual interests.

Revocation of licence

6.—(1) If any licensed bank —

(a) is carrying on its business in a manner detrimental to the interests of its depositors and other creditors; or

(b) has insufficient assets to cover its liabilities to the public; or

(c) is contravening any provisions of this Ordinance; or

(d) has ceased to carry on banking business in Singapore,

the Minister may, on the recommendation of the Inspector revoke any licence issued to such bank:

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

(2) Where the licence of a bank has been revoked under subsection (1) of this section the bank may, within thirty days of such revocation, appeal against such revocation to the High Court, which may make such order thereon as it thinks proper, including any directions as to the costs of the appeal.

PART III

DUTIES OF LICENSED BANKS

Minister to be advised of alteration in a bank's constitution

5 7.—(1) A licensed bank shall within three months after the making of any alteration in the memorandum of association and articles of association or other instrument under which it is incorporated furnish to the Minister particulars in writing (verified by a statutory declaration made by a senior officer of the bank) of such alteration.

10 (2) Any licensed bank which fails to comply with the requirements of subsection (1) of this section shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding five hundred dollars for every day the default continues.

Maintenance of reserve fund

8.—(1) Every licensed bank shall —

15 (a) maintain a reserve fund; and

(b) before any dividend is declared shall transfer to such fund out of the net profits of each year, after due provision has been made for taxation —

20 (i) so long as the amount of the reserve fund is less than fifty *per centum* of the paid up capital, a sum equal to not less than fifty *per centum* of such net profits;

25 (ii) so long as the amount of the reserve fund is fifty *per centum* but less than one hundred *per centum* of the paid up capital, a sum equal to twenty-five *per centum* of such net profits.

(2) If the Minister is satisfied that the aggregate reserve fund of a licensed bank whose head office is situated outside Singapore is adequate for its business he may by order in writing exempt such bank from the provisions of subsection (1) of this section.

30 (3) Any licensed bank which fails to comply with the provisions of subsection (1) of this section shall be guilty of an offence against this Ordinance.

Exhibition of audited balance-sheet

9.—(1) Every licensed bank shall —

- (a) exhibit throughout the year in a conspicuous position in every office and branch of that bank in Singapore a copy of its last audited balance-sheet, together with the full and correct names of all persons who are directors of that bank, as soon as such balance-sheet is available; 5
- (b) publish a copy of its last audited balance-sheet in local daily English, Chinese and Malay newspapers;
- (c) within six months after the close of its financial year forward to the Minister a copy of its last audited balance-sheet and profit and loss account. 10

(2) Any licensed bank which fails to comply with any of the provisions of subsection (1) of this section shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding five thousand dollars. 15

Restriction on payment of dividends, advances, and loans to the staff

10.—(1) No licensed bank shall —

- (a) pay any dividend on its shares until all its capitalised expenditure (including preliminary expenses, organisation expenses, share selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) has been completely written off; 20 25
- (b) grant an advance, loan or credit facility against the security of its own shares or grant unsecured advances, unsecured loans or unsecured credit facilities in excess of, in the aggregate and outstanding at any one time, five thousand dollars, to any of its directors, or to a firm in which it or any of its directors, or to a firm in which it or any of its directors, is interested as partner, manager or agent, or to any individual or firm of whom or of which any of its directors is a guarantor; 30

(c) grant to its officers or employees unsecured advances, unsecured loans or unsecured credit facilities which constitute a financial liability on that bank outstanding at any one time of more than six months' salary for any one officer or employee.

(2) Any licensed bank which contravenes the provisions of this section shall be guilty of an offence against this Ordinance.

Action to be taken if unsecured advances are against interests of depositors

11.—(1) Every licensed bank shall when furnishing the returns required by section 12 of this Ordinance give particulars of all unsecured advances, unsecured loans or unsecured credit facilities granted by it to private or public companies in which it or any of its directors, officers, or employees is interested as director, manager, agent or guarantor.

(2) If on examination of the particulars supplied by a licensed bank under subsection (1) of this section it appears to the Inspector that any such unsecured advances, unsecured loans or unsecured credit facilities are being granted to the detriment of the interests of the depositors of that bank, the Inspector shall so advise the Minister who may, by order in writing, prohibit that bank from granting any further such advances, loans or credit facilities or impose such restrictions on the grant thereof as he thinks fit, and may by like order direct that bank to secure repayment of any such advance, loan or credit facility within such time and to such extent as may be specified in the order.

Statistics to be furnished

12.—(1) Every licensed bank shall send to the Chief Statistician, Singapore, the Inspector and the Minister —

(a) not later than fifteen days after the last day of each month a statement in the form set out in the First Schedule to this Ordinance showing the assets and liabilities of its banking offices and branches in Singapore at the close of business on the last business day of the preceding month;

(b) not later than twenty-one days after the last day of each half year ending on the 30th day of June, and the 31st day of December, a statement in the form set out in the Second Schedule to this Ordinance giving an analysis of loans and advances of its banking offices and branches in Singapore as at the 30th day of June and the 31st day of December respectively. 5

(2) The Minister may on the recommendation of the Inspector by regulation vary or amend the forms set out in the First and Second Schedules to this Ordinance. 10

(3) Any licensed bank which fails to comply with any requirement set out in subsection (1) of this section shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding one thousand dollars for every day the default continues.

(4) It shall be the responsibility of the Chief Statistician, Singapore, to prepare and to publish consolidated statements aggregating the figures in the returns furnished under subsection (1) of this section. 15

Bank unable to meet obligations to inform the Minister

13. A licensed bank which considers that it is likely to become unable to meet its obligations or is about to suspend payment shall forthwith inform the Minister through the Inspector of such fact and if it fails to do so shall be guilty of an offence against this Ordinance. 20

Amalgamation, etc. requires consent of the Minister

14.—(1) Every licensed bank shall inform the Minister through the Inspector of any proposed arrangement or agreement for any sale or disposal of its business by amalgamation or otherwise or of any proposal for reconstruction, and the Minister on the recommendation of the Inspector may approve or withhold approval or such arrangement or agreement or reconstruction: 25

Provided that the approval of the Minister shall not be unreasonably withheld. 30

(2) Any licensed bank which fails to comply with the provisions of subsection (1) of this section shall be guilty of an offence against the Ordinance.

Appointment of Auditors

5 **15.**—(1) Every licensed bank shall appoint annually an auditor, being a person approved by the Minister whose duties shall be to make a report to the shareholders of such bank upon the annual balance-sheet and accounts; and in every such report the auditor shall state whether in his opinion the balance-sheet is full and fair and properly drawn up, whether it exhibits a true and correct statement of the bank's affairs, and, if the auditor has called for explanation or information from the officers or agents of the bank, whether it has
10 been satisfactory.

(2) The report of the auditor shall be read together with the report of the board of management of the licensed bank at the annual meeting of shareholders and a copy of it shall be sent to the Inspector for transmission to the Minister.

15 (3) Any licensed bank which fails to comply with the requirements of subsection (2) of this section shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding five thousand dollars.

20 (4) If a licensed bank fails to appoint an auditor under subsection (1) of this section or at any time fails to fill a vacancy for an auditor the Minister shall have power to appoint an auditor and shall fix the remuneration to be paid by that bank to such auditor.

25 (5) No person having an interest in a licensed bank otherwise than as a shareholder, and no director, officer or employee or agent of that bank, shall be eligible for appointment as an auditor for such bank, and any person appointed as auditor to a licensed bank who shall after such appointment acquire such interest or become a director or an officer or employee or agent of such bank shall forthwith cease to be such auditor.

30 (6) The duties, powers and liabilities imposed and conferred by section 20 of the Ordinance in relation to an investigation by the Inspector of the affairs of a licensed bank under section 17 or 18 of this Ordinance are hereby imposed and conferred in relation to auditors appointed under this section.

(7) Where in the case of a licensed bank whose head office is situated outside Singapore the Minister is satisfied that a report has been duly made by an auditor in accordance with the law of the country in which such head office is situated upon the annual balance-sheet and accounts of such bank, and a copy of such report together with the report of the board of management of such bank is sent to the Inspector for transmission to the Minister, he may by notice in writing exempt any such bank from the provisions of this section.

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PART IV

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POWERS OF THE MINISTER

Clearing Houses and settlement of balances between banks

16.—(1) In order to facilitate the clearing of cheques and other credit instruments for banks carrying and business in Singapore the Minister shall, at an appropriate time and in conjunction with banks operating in Singapore, establish a Clearing House.

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(2) The Minister may by order require each bank to open either immediately or over a specified period of time a clearing account with the Clearing House of an amount which the Minister may from time to time determine.

20

(3) A bank shall settle, by means of cheques drawn on and paid into its account with the Clearing House, all the balances between itself and any other bank arising out of the general clearances effected in Singapore and such other places as the Minister specifies.

Inspector of Banks

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17. The Minister shall appoint an Inspector of Banks who shall from time to time investigate, under conditions of secrecy, the books, accounts and transactions of each licensed bank.

Special investigations of banks

18. The Minister may at any time direct the Inspector to make an investigation, under conditions of secrecy, of the books, accounts and transactions of a licensed bank, if he has reason to believe a licensed

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bank is carrying on its business in a manner detrimental to the interest of its depositors and other creditors, or has insufficient assets to cover its liabilities to the public, or is contravening the provisions of this Ordinance.

5 **Examination of affairs of bank on application by shareholders or depositors**

19.—(1) The Minister may cause an investigation under conditions of secrecy, to be made by the Inspector of the affairs of a bank on the application —

- 10 (a) of shareholders holding not less than one-third of the total number of shares in such bank for the time being issued;
- (b) of depositors holding deposits of the value of not less than one-half of the gross value of the total deposits within Singapore shown in the last balance-sheet of such bank.

15 (2) Such application shall be supported by such evidence as the Minister may require for the purpose of satisfying himself that the applicants have good reason for requiring such investigation. The Minister may also require the applicants to give such security as he may deem sufficient for the payment of the costs of any investigation.

20 **Production of bank's books, accounts and documents**

20.—(1) For the purposes of an investigation under sections 17, 18 and 19 of this Ordinance a licensed bank shall afford the Inspector access to its books, accounts, and documents and shall give such information and facilities as may be required to conduct the investigation:

25

Provided that such books, accounts and documents shall not be required to be produced at such times and at such places as shall interfere with the proper conduct of the normal daily business of the bank.

30 (2) If any book, account or document or information is not supplied in accordance with subsection (1) of this section, the licensed bank concerned shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding one thousand dollars in respect of every day the default continues.

(3) For the purposes of an investigations under sections 17, 18 and 19 of this Ordinance the Inspector shall be deemed to be a public servant within the meaning of the Penal Code (Cap. 119).

Action by the Minister if bank unable to meet obligations or conducting business to the detriment of depositors

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21. Where —

(a) a licenced bank informs the Minister —

(i) that it considers that it is likely to become unable to meet its obligations; or

(ii) that it is about to suspend payment; or

10

(b) a licensed bank becomes unable to meet its obligations or suspends payment; or

(c) after investigations is made under section 17, 18, or 19 of this Ordinance the Inspector is of the opinion that a licensed bank —

15

(i) is likely to become unable to meet its obligations or is about to suspend payment; or

(ii) is carrying on its business in a manner detrimental to the interests of its depositors,

the Minister may on the advice of the Inspector —

20

(1) require the bank forthwith to take such steps as he may consider necessary to rectify the matter;

(2) appoint a person to advise the bank in the proper conduct of its business;

(3) direct the Inspector to assume control and carry on the business of the bank; or

25

(4) direct that a petition be presented to the High Court for the winding up of the bank by the Court.

Control of licensed bank by Minister

22.—(1) Where the Inspector has assumed control of the business of a licensed bank in pursuance of paragraph (3) of section 21 of this

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Ordinance the Inspector shall, subject to subsection (2) of this section, remain in control of, and continue to carry on the business of that bank in the name and on behalf of the bank until such time as —

5 (a) the deposits with the bank have been repaid or the Inspector is satisfied that suitable provision has been made for their repayment; and

(b) in the opinion of the Inspector it is no longer necessary for the Inspector to remain in control of the business of the bank.

10 (2) Where the Inspector has assumed control of the business of a licensed bank in pursuance of paragraph (3) of section 21 of this Ordinance, the High Court may upon application of the bank, if the High Court is satisfied that it is no longer necessary for the protection
15 of the depositors of the bank that the Inspector should remain in control of the business of the bank, order that the Inspector shall cease to control the business of the bank as from a date specified in the order.

20 (3) Where the Inspector has assumed control of the business of a licensed bank in pursuance of paragraph (3) of section 21 of this Ordinance or ceases to control the business of a licensed bank in pursuance of this section, the Inspector shall notify that fact in the *Gazette*.

Licensed bank under control of Inspector to co-operate with Inspector

25 **23.**—(1) Where the Inspector has assumed control of the business of a licensed bank in pursuance of paragraph (3) of section 21 of this Ordinance the licensed bank shall submit its business to the control of the Inspector and shall provide the Inspector with such facilities as the Inspector requires to carry on the business of that bank.

30 (2) Any licensed bank which fails to comply with subsection (1) of this section or with any requirement of the Inspector thereunder shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to a fine not exceeding one thousand dollars for every day during which such default continues.

No investigation of individual customer's affairs

24. Nothing in this Ordinance shall authorize the Minister to direct the Inspector, or shall authorise the Minister, to enquire specifically into the affairs of any individual customer of a licensed bank.

PART V GENERAL

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Indemnity

25.—(1) Neither the Government nor the Inspector nor any other officer of the Government shall be subject to any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in pursuance or in execution or intended execution or in connection with the execution or intended execution of any power conferred upon the Government, the Inspector or such officer by this Ordinance.

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(2) For the purposes of this section the Minister and any public officer shall be deemed to be an officer of the Government.

15

Individuals not eligible to take part in management of a licensed bank

26.—(1) Without prejudice to anything contained in any written law relating to companies, any person who is a director, manager, secretary or other officer concerned in the management of a licensed bank shall cease to hold office —

20

(a) if he becomes bankrupt, suspends payment or compounds with his creditors; or

(b) if he is convicted of an offence involving dishonesty or fraud.

25

(2) No person who has been a director of, or directly concerned in the management of, a licensed bank which has been wound up by a court shall, without the express authority of the Minister, act or continue to act as a director of, or be directly concerned in, the management of any bank.

30

(3) Any person acting in contravention of subsection (1) or subsection (2) of this section shall be guilty of an offence against this Ordinance and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding five thousand dollars or to both such imprisonment and fine.

Penalty for offences not otherwise provided for

27. Any licensed bank which is guilty of an offence against this Ordinance for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding five thousand dollars.

Offences by companies, etc. and by servants and agents

28.—(1) Where any offence against any provision of this Ordinance has been committed by a company, firm, society or other body or persons, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer thereof or was purporting to act in such capacity shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

(2) Where any person would be liable under this Ordinance to any punishment or penalty for any act, omission, neglect or default he shall be liable to the same punishment or penalty for every such act, omission, neglect or default of any clerk, servant or agent, or of the clerk or servant of such agent provided that such act, omission, neglect or default was committed by such clerk or servant in the course of his employment, or by such agent when acting on behalf of such person, or by the clerk or servant of such agent when acting in the course of his employment in such circumstances that had such act, omission, neglect or default been committed by the agent his principal would have been liable under this section.

Fiat of State Advocate-General

29. No prosecution in respect of any offence under this Ordinance shall be instituted save by or under the direction of the State Advocate-General.

Jurisdiction

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30. Notwithstanding the provisions of any other written law a District Court shall have jurisdiction to try any offence against this Ordinance and to impose the full penalty prescribed therefor.

Regulations

31. The Minister may make such regulations as may be required from time to time for carrying into effect the provisions of this Ordinance.

10

Amendment and special provision relating to the Companies Ordinance

32.—(1) The Companies Ordinance (Cap. 174) is hereby amended —

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(a) by substituting a semi-colon for the full-stop appearing at the end of section 166 thereof and inserting immediately thereafter the following new paragraph:—

“(7) in the case of a company being a licensed bank under the Banking Ordinance, 1962, (Ord. of 1962), the licence of the company thereunder has expired or been revoked.”; and

20

(b) by deleting section 309 thereof and substituting therefor the following new Part and section:—

25

“PART XA

BANKING COMPANIES

Winding up of banking companies

309. Any company which carries on banking business in Singapore in contravention of the provisions of section 3, 4 or 34 of the Banking

30

Ordinance, 1962, may, on petition by the Official Receiver, be wound up by the court under the provisions of Part IX of this Ordinance.”.

5 (2) The provisions of this Ordinance shall be without prejudice to the provisions of sections 136, 137, 138, 139, 331, 332 and 333 of the Companies Ordinance in so far as they relate to banks and of sections 166 and 168 of the Companies Ordinance in so far as they relate to winding up by the court:

10 Provided that if any such provision is inconsistent with any provision of this Ordinance the provision of this Ordinance shall prevail.

Exemption

33. The provisions of this Ordinance shall not apply to —

- 15 (a) the Post Office Savings Bank established under the provisions of the Post Office Savings Bank Ordinance (Cap. 106);
- (b) any co-operative society registered under the Co-operative Societies Ordinance (Cap. 175); or
- 20 (c) any business of pawnbroking carried on by a person licensed under the Pawnbrokers Ordinance (Cap. 195).

PART VI

TRANSITIONAL

Transitional licensing provisions

25 **34.**—(1) Notwithstanding the provisions of sections 3 and 4 of this Ordinance any bank specified in the Third Schedule to this Ordinance which on the 1st day of January, 1962 was carrying on banking business in Singapore shall, subject to the provisions of subsection (2) of this section, upon the coming into operation of this Ordinance be granted a licence, which may be made subject to

30 such conditions, if any, as are contained in any licence under which the bank was carrying on banking business in Singapore immediately before the date of such coming into operation.

(2) No bank shall be granted a licence under subsection (1) of this section, nor shall any bank licensed thereunder carry on business in Singapore without the written consent of the Minister, if —

(a) in the case of a bank whose head office is in Singapore, its capital issued and paid up is less than two million Malayan dollars; 5

(b) in the case of a bank whose head office is situated outside Singapore, it holds less than two million Malayan dollars in Singapore in respect of its business in Singapore, in the form of immovable property, or such other kinds of assets as the Minister may approve, or both: 10

Provided that the Minister may issue a licence to any bank referred to in subsection (1) of this section which does not conform to any of the provisions of paragraph (a) or (b) of this subsection for such period, not exceeding ten years from the date of the coming into operation of this Ordinance, as may be specified in such licence. 15

FIRST SCHEDULE

(Section 12(1) (a)).

MONTHLY STATEMENT OF LIABILITIES AND ASSETS OF
(Name of Bank)

LIABILITIES.

				\$
1. Capital Paid Up	...	...	...	.....
2. Reserve Fund	...	...	...	.....
3. Debentures	...	...	...	.....
4. Bank's own notes in circulation	...	...	...	.....
5. Deposits of customers other than banks:				
	Singapore	Other	Other.	Total.
	Govern- ment.	Singapore Public Authorities.		
(a) Current and deposit accounts repayable on demand	.....	.....	.....	.....
(b) Fixed deposits	.....	.....	.....	.....
(c) Savings accounts	.....	.....	.....	.....
(d) Other deposits	.....	.....	.....	.....
	=====	=====	=====	=====
6. Balances held for other banks:				
(a) in Singapore	.....	.....	.....	.....
(b) outside Singapore—				
(i) head office and branches	.....	.....	.....	.....
(ii) other banks	.....	.....	.....	.....
			=====	=====
7. Amounts borrowed from:				
(a) Other banks in Singapore	.....	.....	.....	.....
(b) Head office and branches outside Singapore	.....	.....	.....	.....
(c) Other banks outside Singapore	.....	.....	.....	.....
(d) Other creditors	.....	.....	.....	.....
			=====	=====
{ At the date of this return, the following amounts, included under (a) to (d) above, represented money at call in—				
	(i) Singapore	.....	.....	.....
	(ii) the Federation	.....	.....	.....
	(iii) United Kingdom	.....	.....	.....
	(iv) elsewhere	.....	.....	.....
			=====	=====
{ Contingent liabilities in Singapore—				
	(i) on bills rediscounted	.....	.....	.....
	(ii) other	.....	.....	.....
			=====	=====
8. Bills payable	.....	.....	.....	.....
9. All other liabilities to the public	.....	.....	.....	.....

FIRST SCHEDULE — *continued*

LIABILITIES—*continued.*

5

TOTAL LIABILITIES ...

10. Acceptance on account of customers (as *per contra*)

11. Guarantees, endorsements and other obligations on account of customers
(as *per contra*)

Date

FIRST SCHEDULE — *continued*PART I—*continued*.ASSETS—*continued*.

S

Comprising Bills:		
(i) Maturing as from the date of this return—		}
(a) within three months		
(b) longer than three months		
(ii) past-due (unpaid and un-accepted)		
(b) payable outside Singapore		
Loans and advances (excluding money at call) to:		
(a) other banks in Singapore		
(b) other banks outside Singapore		
(c) customers other than banks—		
(i) unsecured		
(ii) secured		
8. Bank premises (buildings, furniture, fixtures, fittings and sites)		
9. Bills receivable		
10. Other assets		
	TOTAL ASSETS	
11. Liabilities of customers for acceptance (as <i>per contra</i>)		
12. Liabilities of customers for guarantees, endorsements and other obligations (as <i>per contra</i>)		
Net overseas liabilities/assets \$		

..... Manager.

..... Accountant.

FIRST SCHEDULE — *continued*

PART II.

Items 6 (b) and 15 (b)—Balances held for, and balances with, banks outside Singapore (including head office and branches):

	Balances owed \$	Balances due* \$
Sterling Area countries—		
Australia
Burma
Ceylon
Hong Kong
India
Pakistan
Federation of Malaya
United Kingdom
Rest of Sterling Area
	-----	-----
	-----	-----
Dollar Area—		
Canada
United States of America
Rest of Dollar Area
	-----	-----
	-----	-----
Other Countries—		
China
Indonesia
Japan
Western Germany
Thailand
All other countries
	-----	-----
	-----	-----
Total all countries ...	-----	-----

* Show amounts not freely transferable to Singapore.

.....
.....
.....

FIRST SCHEDULE — *continued*

PART II—*continued.*

Item 21 (c) (i)—Unsecured advances, unsecured loans and unsecured credit facilities granted by the bank during the month to any private or public company in which the bank or any of its directors, officers or employees is interested as director, manager, agent or guarantor:

.....
.....
.....
.....

Volume of operations:

(a) Cheques sent for local clearing	.....	.....
(b) Debits to current deposit accounts (transfers between customers and customers' drawings excluding cheques received through local clearing)

\$

SECOND SCHEDULE

(Section 12(1) (b)).

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CLASSIFICATION OF LOANS AND ADVANCES IN SINGAPORE

OF AS AT

(Name of bank)

THE CLOSE OF BUSINESS ON

PART I.

			\$	\$
1. Government	.....	.....	.....	.....
2. Other public authorities and utilities	.....	.....	.....	.....
Agriculture—				
3. Rubber	.....	.....	.....	.....
4. Rice	.....	.....	.....	.....
5. Palm oil	.....	.....	.....	.....
6. Coconuts and coconut products	.....	.....	.....	.....
7. Pineapples	.....	.....	.....	.....
8. Tea	.....	.....	.....	.....
9. Other agriculture	.....	.....	.....	.....
10. Fisheries	.....	.....	.....	.....
11. Forestry	.....	.....	.....	.....

SECOND SCHEDULE — *continued*PART I—*continued.*

	\$	\$
Mining and Quarrying—		
12. Tin ... ..	.....
13. Iron ore ... ..	.....
14. Other minerals ... ..	.....

Manufacturing—		
15. Rubber products ... ..	.....
16. Tin concentrates ... ..	.....
17. Rice milling ... ..	.....
18. Food, drink and tobacco (not elsewhere specified) ... ..	.....
19. Soaps and oils ... ..	.....
20. Textiles and clothing ... ..	.....
21. Woodwork and furniture making ... ..	.....
22. Printing, publishing, etc. ... ..	.....
23. Metal products and machinery (including repairs) ... ..	.....
24. Building materials ... ..	.....
25. Other manufacturing ... ..	.....

Construction—		
26. Building and construction ... ..	.....
General Commerce—		
27. Import, export and wholesale trade ... ..	.....
28. Retail trade ... ..	.....

Miscellaneous—		
29. Transport, storage and communication ... ..	.....
30. Hotels, restaurants and boarding houses ... ..	.....
31. Building and co-operative societies ... ..	.....
32. Financial concerns (including banks) ... ..	.....
33. Professional and private individuals:		
(a) for business purposes ... ..	.....
(b) for private purposes ... ..	.....

34. Religious, charitable and recreational institutions ... ..	.....
35. All other ... ..	.....

Total Loans and Advances ... ..	.....	.....

SECOND SCHEDULE — *continued*

PART II.

		Amounts of Loans and Advances	No. of Customers
		\$	
Up to but not exceeding \$5,000
Exceeding \$ 5,000 but not exceeding \$ 10,000	
” 10,000 ” ” ” 50,000	
” 50,000 ” ” ” 100,000	
” 100,000 ” ” ” 500,000	
” 500,000 ” ” ” 1,000,000	
” 1,000,000 ” ” ” 5,000,000	
” 5,000,000
		-----	-----
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..... *Manager.*

..... *Accountant.*

Date

THIRD SCHEDULE

(SECTION 34)

5

1. American Express Company, Incorporated.
2. Asia Commercial Banking Corporation, Limited.
3. Ban Hin Lee Bank, Limited.
4. Bank of America.
5. Bank of Canton, Limited.
6. Bank of China.
7. Bank of East Asia, Limited.
8. Bank of India, Limited.
9. Bank Negara Indonesia.
10. Bank of Singapore, Limited.
11. Bank of Tokyo, Limited.
12. Bangkok Bank, Limited.
13. Banque de l'Indochine.
14. Chartered Bank.
15. Chung Khiaw Bank, Limited.
16. Eastern Bank, Limited.

THIRD SCHEDULE — *continued*

17. Far Eastern Bank, Limited.
 18. First National City Bank of New York.
 19. Hongkong and Shanghai Banking Corporation.
 20. Indian Bank, Limited.
 21. Indian Overseas Bank, Limited.
 22. Industrial and Commercial Bank, Limited.
 23. Kwangtung Provincial Bank.
 24. Kwong Lee Bank, Limited.
 25. Lee Wah Bank, Limited.
 26. Malayan Banking, Limited.
 27. Mercantile Bank, Limited.
 28. Nationale Handelsbank N. V.
 29. Netherlands Trading Society.
 30. Oversea-Chinese Banking Corporation, Limited.
 31. Overseas Union Bank, Limited.
 32. Sze Hai Tong Bank, Limited.
 33. United Chinese Bank, Limited.
 34. United Commercial Bank, Limited.
 35. United Malayan Banking Corporation, Limited.
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EXPLANATORY STATEMENT

The object of this Bill is to provide for the licensing and registration of the business of banks in Singapore.

Part I of the Bill deals with the operation of, and definitions in the Bill.

Part II is concerned with the licensing of banks. Clause 3(1) provides that banking business shall be transacted in Singapore only by a company which has a licence in writing from the Minister. Existing banks in Singapore included in the Third Schedule to the Bill will be granted a licence forthwith, subject to their meeting certain requirements set out in Clause 34 of the Bill. Other companies wishing to carry on banking business will have to apply for a licence in writing to the Minister, who may grant or withhold a licence or grant a licence subject to conditions. The Minister may vary or revoke any existing conditions of any licence or impose conditions.

No bank may be granted a licence unless it satisfies the provisions of Clause 4. Under this clause local banks must have a paid up capital of not less than two million dollars and other banks a paid up capital not less than five million dollars

of which at least two million dollars must be held in Singapore. The Minister may exempt an existing bank from these provisions for up to ten years.

Clause 5 places restrictions on the use of the word “bank” and its derivatives.

Clause 6 sets out the circumstances in which a licence may be revoked by the Minister and provides for an appeal against revocation to the High Court.

Part III of the Bill imposes certain obligations upon licensed banks. The Minister must be informed of any alteration in a bank’s constitution; each licensed bank is required to maintain a reserve fund; audited balance-sheets of banks are to be exhibited; restrictions are imposed on the payment of dividends or the granting of loans or advances to the staff of a bank and the granting of unsecured advances; certain statistical statements are to be furnished to the Chief Statistician; bank amalgamations and reconstructions require the consent of the Minister; and bank auditors must be approved by the Minister.

Part IV of the Bill deals with the powers of the Minister to establish a Clearing House and appoint an Inspector of Banks to investigate into the affairs of banks and to appoint advisers to banks.

Part V of the Bill contains general provisions defining *inter alia* the persons not eligible to take part in the management of a licensed bank. Clause 29 requires the consent of the State Advocate-General to any prosecution under the Ordinance and Clause 32 makes several minor and consequential amendments to the Companies Ordinance (Cap. 174).

The provisions of the Bill do not extend to the Post Office Savings Bank, to any registered co-operative society or to any duly licensed business of pawnbroking.

Part VI provides for transitional arrangements whereby existing banks can be licensed. These banks are listed in the Third Schedule to the Bill and by Clause 34 they will be granted a licence forthwith subject to their meeting certain requirements.

A comparative Table is attached.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

TABLE OF DERIVATIONS

COMPARATIVE TABLE

<i>Clause of Bill</i>	<i>Section of the Federation Banking Ordinance, 1958. (No. 62 of 1958)</i>
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	New
17	New
18	17
19	New
20	18
21	19
22	20
23	21
24	22
25	23
26	24

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