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DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES ACT 2011

DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES (FINANCIAL PENALTY) ORDER 2024

ARRANGEMENT OF PARAGRAPHS

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In exercise of the powers conferred by section 8(4) of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011, the Deputy Prime Minister and Minister for Trade and Industry, Gan Kim Yong, the Minister charged with the responsibility for the Deposit Insurance and Policy Owners' Protection Schemes Act 2011, makes the following Order:

Citation and commencement

1. This Order is the Deposit Insurance and Policy Owners' Protection Schemes (Financial Penalty) Order 2024 and comes into operation on 1 January 2025.

Definitions

2. In this Order —

“3-month compounded SORA”, for a business day, means the compounded average of the SORA values for a 3-month period immediately before and including that business day, computed by the Authority using the prescribed methodology, as published on the next business day —

- (a) on the Authority’s website; or
- (b) where the Authority’s website is unavailable to the public, in any other form that is readily accessible by the public;

“asset maintenance requirement” means the requirement imposed by the Authority under section 8(1) of the Act on a DI Scheme member, or any class of DI Scheme members, to maintain the prescribed minimum amount of assets in Singapore;

“Authority’s website” means the Authority’s Internet website at <https://www.mas.gov.sg>;

“bank holiday” means a day declared by the Authority to be a bank holiday under section 60(1) of the Banking Act 1970;

“business day” means any day other than a Saturday, Sunday, public holiday or bank holiday;

“prescribed methodology” means the methodology set out in the document called “Compounded Singapore Overnight Rate Average Index (“SORA Index”), Compounded SORA and MAS Floating Rate Notes (“MAS FRN”): A User Guide” dated 16 March 2021 as published on the Authority’s website;

“Singapore Overnight Rate Average” or “SORA”, for a business day, means the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank Singapore dollar cash market in Singapore between 8 a.m. and 6.15 p.m. of that business day, as published on the next business day, by the Authority —

- (a) on the Authority’s website; or
- (b) where the Authority’s website is unavailable to the public, in any other form that is readily accessible by the public.

Financial penalty

3. For the purposes of section 8(4) of the Act, the prescribed formula for the financial penalty (F) that a DI Scheme member is liable to pay for every day or part of a day that the DI Scheme member fails to comply with the asset maintenance requirement, is —

$$F = A \times r \times \frac{1}{365},$$

where —

- (a) A is the deficiency in the amount of assets necessary for the DI Scheme member to comply with the asset maintenance requirement; and
- (b) r is 10 percentage points above the 3-month compounded SORA for —
 - (i) the day on which the bank fails to comply with the asset maintenance requirement — if that day is a business day; or
 - (ii) the last business day immediately before the day on which the bank fails to comply with the asset maintenance requirement — if that day is not a business day.

Revocation

4. Revoke the Deposit Insurance and Policy Owners' Protection Schemes (Financial Penalty) Order 2011 (G.N. No. S 236/2011).

Made on 20 December 2024.

LEO YIP
*Permanent Secretary,
Prime Minister's Office,
Singapore.*

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