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MONETARY AUTHORITY OF SINGAPORE ACT
(CHAPTER 186)

MONETARY AUTHORITY OF SINGAPORE
(CONTROL AND RESOLUTION OF
FINANCIAL INSTITUTIONS)
REGULATIONS 2013

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Regulation

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In exercise of the powers conferred by sections 30AAJ and 30AAZN of the Monetary Authority of Singapore Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Monetary Authority of Singapore (Control and Resolution of Financial Institutions) Regulations 2013 and shall come into operation on 18th April 2013.

Definitions

2. In these Regulations, unless the context otherwise requires —

“12% controller” —

(a) in relation to a bank incorporated in Singapore or a financial holding company, has the same meaning as in section 15B(3) of the Banking Act (Cap. 19);

(b) in relation to an operator of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A), has the same meaning as in section 23(3) of that Act;

(c) in relation to an approved exchange under the Securities and Futures Act (Cap. 289), has the same meaning as in section 27(3) of that Act;

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(ca) in relation to a licensed trade repository under the Securities and Futures Act, has the same meaning as in section 46U(3) of that Act;

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(cb) in relation to an approved clearing house under the Securities and Futures Act, has the same meaning as in section 70(3) of that Act; or

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(d) in relation to an approved holding company under the Securities and Futures Act, has the same meaning as in section 81ZE(3) of that Act;

“20% controller” —

(a) in relation to a bank incorporated in Singapore or a financial holding company, has the same meaning as in section 15B(3) of the Banking Act;

(b) in relation to an operator of a designated payment system under the Payment Systems (Oversight) Act, has the same meaning as in section 23(3) of that Act;

(c) in relation to an approved exchange under the Securities and Futures Act, has the same meaning as in section 27(3) of that Act;

(ca) in relation to a licensed trade repository under the Securities and Futures Act, has the same meaning as in section 46U(3) of that Act;

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(cb) in relation to an approved clearing house under the Securities and Futures Act, has the same meaning as in section 70(3) of that Act;

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(d) in relation to an approved holding company under the Securities and Futures Act, has the same meaning as in section 81ZE(3) of that Act; or

(e) in relation to a licensed trust company under the Trust Companies Act (Cap. 336), has the same meaning as in section 16(3) of that Act;

“50% controller”, in relation to a licensed trust company under the Trust Companies Act, has the same meaning as in section 16(3) of that Act;

“financial holding company” means a company belonging to a class of financial institutions approved by the Authority as financial holding companies under section 28 of the Act;

“indirect controller” —

- (a) in relation to a bank incorporated in Singapore or a financial holding company, has the same meaning as in section 15B(5) of the Banking Act; or
- (b) in relation to a licensed trust company under the Trust Companies Act, has the same meaning as in section 16(3) of that Act;

“merchant bank” means a financial institution belonging to a class of financial institutions approved by the Authority as merchant banks under section 28 of the Act;

“pertinent financial institution” has the same meaning as in section 30AAK of the Act;

“relevant financial institution” has the same meaning as in section 30AA(2) of the Act;

“significant business” has the same meaning as in section 30AAK of the Act;

“specified financial institution” has the same meaning as in section 30AAK of the Act;

“substantial shareholder” —

- (a) in relation to a bank incorporated in Singapore or a financial holding company, has the same meaning as in section 81 of the Companies Act (Cap. 50);
- (b) in relation to an operator of a designated payment system under the Payment Systems (Oversight) Act, has the same meaning as in section 2(1) of that Act; or
- (c) in relation to an approved exchange, a licensed trade repository, an approved clearing house or an approved holding company under the Securities and Futures Act, has the same meaning as in section 2(6) of that Act.

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PART II

CONTROL OVER FINANCIAL INSTITUTIONS

Definition of “relevant financial institution”

3. For the purposes of the definition of “relevant financial institution” in section 30AA(2) of the Act, each of the following classes of financial institutions is a class of financial institutions referred to in paragraph (b) of that definition:

- (a) merchant banks;
- (b) financial holding companies.

Persons referred to in sections 30AAB(1)(c)(i), 30AAC(3)(a) and 30AAI(2) of Act

4. For the purposes of sections 30AAB(1)(c)(i), 30AAC(3)(a) and 30AAI(2) of the Act —

- (a) where a relevant financial institution is a merchant bank, the persons referred to in sections 30AAB(1)(c)(i), 30AAC(3)(a) and 30AAI(2), respectively, of the Act are the depositors of the merchant bank; and
- (b) where a relevant financial institution is a financial holding company, the persons referred to in sections 30AAB(1)(c)(i), 30AAC(3)(a) and 30AAI(2), respectively, of the Act are —
 - (i) the depositors of each subsidiary of the financial holding company which is a bank; and
 - (ii) the policy owners of the insurance policies issued by each subsidiary of the financial holding company which is an insurer licensed under the Insurance Act (Cap. 142).

Particulars under section 30AAH(2)(d) of Act

5.—(1) For the purposes of section 30AAH(2)(d) of the Act, the other particulars to be contained in the notice under that provision are —

- (a) the names of the transferor and the transferee;

- (b) a summary of the transfer, including a description of the nature and the effect of the transfer;
- (c) the addresses of the respective offices of the transferor and the transferee referred to in section 30AAH(2)(e) of the Act at which a copy of the report referred to in section 30AAH(2)(a) of the Act would be kept for inspection by any person who may be affected by the transfer; and
- (d) the period referred to in section 30AAH(2)(e) of the Act during which a copy of the report referred to in section 30AAH(2)(a) of the Act would be kept for inspection by any person who may be affected by the transfer.

(2) In this regulation, “transferor” and “transferee” have the same meanings as in section 30AA(4) of the Act.

PART III

RESOLUTION OF FINANCIAL INSTITUTIONS

Definition of “affected person”

6. For the purposes of the definition of “affected person” in section 30AAK of the Act, where any specified financial institution is set out in the first column of the First Schedule, each person in the corresponding group or groups of persons set out in the second column of that Schedule is an affected person for that specified financial institution.

Definition of “excluded financial institution”

7.—(1) Except as provided in paragraph (2), each of the following persons is prescribed as an excluded financial institution for the purposes of the definition of “excluded financial institution” in section 30AAK of the Act:

- (a) a person who —
 - (i) is a licensed financial adviser under the Financial Advisers Act (Cap. 110); or

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- (ii) is an exempt financial adviser under the Financial Advisers Act, but is not a pertinent financial institution;
 - (b) a person who is exempted from the requirement to hold a capital markets services licence under the Securities and Futures Act (Cap. 289) to carry on business in any regulated activity specified in the Second Schedule to that Act, but is not a pertinent financial institution;
 - (c) an insurer licensed or otherwise regulated under the Insurance Act (Cap. 142);
 - (d) an insurance intermediary registered or otherwise regulated under the Insurance Act;
 - (e) a money-changer licensed to conduct money-changing business, or a remitter licensed to conduct remittance business, under the Money-changing and Remittance Businesses Act (Cap. 187);
 - (f) a holder of a stored value facility under the Payment Systems (Oversight) Act (Cap. 222A).

(2) In relation to sections 30AAM and 30AAN of the Act, each of the following persons is prescribed as an excluded financial institution for the purposes of the definition of “excluded financial institution” in section 30AAK of the Act, and is consequently a specified financial institution:

- (a) a person who —
 - (i) is a licensed financial adviser under the Financial Advisers Act; or
 - (ii) is an exempt financial adviser under the Financial Advisers Act, but is not a pertinent financial institution;
- (b) a person who is exempted from the requirement to hold a capital markets services licence under the Securities and Futures Act to carry on business in any regulated activity specified in the Second Schedule to that Act, but is not a pertinent financial institution;

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- (c) an insurer licensed or otherwise regulated under the Insurance Act;
 - (d) an insurance intermediary registered or otherwise regulated under the Insurance Act;
 - (e) a money-changer licensed to conduct money-changing business, or a remitter licensed to conduct remittance business, under the Money-changing and Remittance Businesses Act;
 - (f) a holder of a stored value facility under the Payment Systems (Oversight) Act;
 - (g) a trustee-manager of a business trust that is registered under the Business Trusts Act (Cap. 31A).

Definition of “pertinent financial institution”

8. For the purposes of the definition of “pertinent financial institution” in section 30AAK of the Act, each of the following persons is a pertinent financial institution:

- (a) a bank;
- (b) a finance company licensed under the Finance Companies Act (Cap. 108);
- (c) a merchant bank;
- (d) a financial holding company;
- (e) an operator or a settlement institution of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A);
- (f) an approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house, an approved holding company, or a holder of a capital markets services licence (not being a holder of a capital markets services licence who carries on business in the regulated activity of providing credit rating services) under the Securities and Futures Act (Cap. 289);

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- (g) a trustee for a collective investment scheme authorised under section 286 of the Securities and Futures Act, that is approved under that Act;
 - (h) a licensed trust company under the Trust Companies Act (Cap. 336).

Definition of “relevant provisions”

9. For the purposes of the definition of “relevant provisions” in section 30AAK of the Act, where any specified financial institution is set out in the first column of the Second Schedule, or where any person is carrying on or has carried on the significant business of a specified financial institution set out in that column, the corresponding provisions of written law set out in the second column of that Schedule are relevant provisions for that specified financial institution or person, as the case may be.

Definitions of “significant shareholder”

10. For the purposes of the definitions of “significant shareholder” in sections 30AAV and 30AAY of the Act, where any pertinent financial institution is set out in the first column of the Third Schedule, each corresponding person set out in the second column of that Schedule is a significant shareholder for that pertinent financial institution.

Definitions of “significant shareholder provisions”

11. For the purposes of the definitions of “significant shareholder provisions” in sections 30AAV and 30AAY of the Act, where any pertinent financial institution is set out in the first column of the Fourth Schedule, the corresponding provisions of written law set out in the second column of that Schedule are significant shareholder provisions for that pertinent financial institution.

Information under section 30AAT(2) of Act

12.—(1) For the purposes of section 30AAT(2) of the Act, the certificate of transfer shall specify the following information:

- (a) the names of the transferor and the transferee;

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- (b) whether the whole or only a part of the business of the transferor is to be transferred;
 - (c) if only a part of the business of the transferor is to be transferred, a description of that part of the business; and
 - (d) the details of the determination made by the Authority under section 30AAS of the Act.

(2) In this regulation, “transferor” and “transferee” have the same meanings as in section 30AAR of the Act.

Information under section 30AAX(2) of Act

13.—(1) For the purposes of section 30AAX(2) of the Act, the certificate of transfer shall specify the following information:

- (a) the names of the transferor and the transferee;
- (b) the class or classes of the shares to be transferred, and the number of shares in each class to be transferred; and
- (c) the details of the determination made by the Authority under section 30AAW of the Act.

(2) In this regulation, “transferor” and “transferee” have the same meanings as in section 30AAV of the Act.

Information under section 30AAZA(2) of Act

14.—(1) For the purposes of section 30AAZA(2) of the Act, the certificate of restructuring of share capital shall specify the following information:

- (a) either or both of the following, as may be applicable:
 - (i) the amount by which the share capital of the pertinent financial institution is to be reduced, and the number of shares of the pertinent financial institution that are to be cancelled;
 - (ii) the names of the subscribers (if any) to whom shares are to be issued by the pertinent financial institution, and the number of shares to be issued to each subscriber; and

(b) the details of the determination made by the Authority under section 30AAZ of the Act.

(2) In this regulation, “subscriber” has the same meaning as in section 30AAY of the Act.

FIRST SCHEDULE

Regulation 6

AFFECTED PERSONS

	<i>First column</i> <i>Specified financial institution</i>	<i>Second column</i> <i>Affected persons</i>
1.	A bank	The depositors of the bank
2.	A finance company licensed under the Finance Companies Act (Cap. 108)	The depositors and the creditors of the finance company
3.	A merchant bank	The depositors of the merchant bank
4.	A financial holding company	The depositors of each subsidiary of the financial holding company which is a bank, and the policy owners of the insurance policies issued by each subsidiary of the financial holding company which is an insurer licensed under the Insurance Act (Cap. 142)
5.	An operator or a settlement institution of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A)	The participants of the designated payment system
6.	An approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house, an approved holding company, or a holder of a capital markets services licence (not being a holder of a capital markets services licence who carries on business in the regulated activity of	The public, a section of the public or investors

FIRST SCHEDULE — *continued*

	<i>First column</i> <i>Specified financial institution</i>	<i>Second column</i> <i>Affected persons</i>
	providing credit rating services) under the Securities and Futures Act (Cap. 289)	
7.	A trustee, for a collective investment scheme authorised under section 286 of the Securities and Futures Act, that is approved under that Act	The public, a section of the public or the participants of the collective investment scheme
8.	A licensed trust company under the Trust Companies Act (Cap. 336)	The public, a section of the public or protected parties under the Trust Companies Act
9.	A licensed financial adviser under the Financial Advisers Act (Cap. 110), or an exempt financial adviser under that Act that is not a pertinent financial institution	The clients of the licensed financial adviser or exempt financial adviser (as the case may be)
10.	A person who is exempted from the requirement to hold a capital markets services licence under the Securities and Futures Act to carry on business in any regulated activity specified in the Second Schedule to that Act, but is not a pertinent financial institution	The public, a section of the public or investors
11.	An insurer licensed or otherwise regulated under the Insurance Act	The policy owners of insurance policies issued by the insurer
12.	An insurance intermediary registered or otherwise regulated under the Insurance Act	The policy owners for which the insurance intermediary acts as an agent
13.	A money-changer licensed to conduct money-changing business, or a remitter licensed to conduct remittance business, under the Money-changing and Remittance Businesses Act (Cap. 187)	The customers of the money-changer or remitter

FIRST SCHEDULE — *continued*

	<i>First column</i> <i>Specified financial institution</i>	<i>Second column</i> <i>Affected persons</i>
14.	A holder of a stored value facility under the Payment Systems (Oversight) Act	The users of the stored value facility

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SECOND SCHEDULE

Regulation 9

RELEVANT PROVISIONS

	<i>First column</i> <i>Specified financial institution</i>	<i>Second column</i> <i>Relevant provisions</i>
1.	A bank	Section 49(2) of the Banking Act (Cap. 19)
2.	A finance company licensed under the Finance Companies Act (Cap. 108)	Section 35(2) of the Finance Companies Act
3.	A merchant bank	Section 30AAB(2) of the Act
4.	A financial holding company	Section 30AAB(2) of the Act
5.	An operator or a settlement institution of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A)	Section 28(1) of the Payment Systems (Oversight) Act
6.	An approved exchange or a recognised market operator under the Securities and Futures Act (Cap. 289)	Section 44B(2) of the Securities and Futures Act
6A.	A licensed trade repository or a licensed foreign trade repository under the Securities and Futures Act	Section 44ZIB(2) of the Securities and Futures Act
6B.	An approved clearing house or a recognised clearing house under the Securities and Futures Act	Section 81SAA(2) of the Securities and Futures Act

SECOND SCHEDULE — *continued*

	<i>First column</i> <i>Specified financial institution</i>	<i>Second column</i> <i>Relevant provisions</i>
7.	An approved holding company under the Securities and Futures Act	Section 81ZGC(2) of the Securities and Futures Act
8.	A holder of a capital markets services licence (not being a holder of a capital markets services licence who carries on business in the regulated activity of providing credit rating services) under the Securities and Futures Act	Section 97E(2) of the Securities and Futures Act
9.	A trustee, for a collective investment scheme authorised under section 286 of the Securities and Futures Act, that is approved under that Act	Section 292D(2) of the Securities and Futures Act
10.	A licensed trust company under the Trust Companies Act (Cap. 336)	Section 21C(2) of the Trust Companies Act

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THIRD SCHEDULE

Regulation 10

SIGNIFICANT SHAREHOLDERS

	<i>First column</i> <i>Pertinent financial institution</i>	<i>Second column</i> <i>Significant shareholders</i>
1.	A bank incorporated in Singapore	Any substantial shareholder, 12% controller, 20% controller or indirect controller of the bank
2.	A finance company licensed under the Finance Companies Act (Cap. 108)	Any person who has effective control (as used in section 10 of the Finance Companies Act) or control (as used in section 11 of the Finance Companies Act) of, or a substantial shareholding (as used in section 12 of the Finance Companies Act) in, the finance company

THIRD SCHEDULE — *continued*

	<i>First column</i> <i>Pertinent financial institution</i>	<i>Second column</i> <i>Significant shareholders</i>
3.	A merchant bank	Any person who, under any directions given by the Authority to the merchant bank under section 28(3) of the Act, is required to obtain the approval of the Authority before purchasing or holding any shares of the merchant bank
4.	A financial holding company	Any substantial shareholder, 12% controller, 20% controller or indirect controller of the financial holding company
5.	An operator of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A)	Any substantial shareholder, 12% controller or 20% controller of the operator of the designated payment system
6.	An approved exchange under the Securities and Futures Act (Cap. 289)	Any substantial shareholder, 12% controller or 20% controller of the approved exchange
6A.	A licensed trade repository under the Securities and Futures Act	Any substantial shareholder, 12% controller or 20% controller of the licensed trade repository
6B.	An approved clearing house under the Securities and Futures Act	Any substantial shareholder, 12% controller or 20% controller of the approved clearing house
7.	An approved holding company under the Securities and Futures Act	Any substantial shareholder, 12% controller or 20% controller of the approved exchange
8.	A holder of a capital markets services licence (not being a holder of a capital markets services licence who carries on business in the regulated activity of providing credit rating services) under the Securities and Futures Act	Any person who has obtained effective control (as defined in section 97A(6) of the Securities and Futures Act) of the holder of the capital markets services licence

THIRD SCHEDULE — *continued*

	<i>First column</i> <i>Pertinent financial institution</i>	<i>Second column</i> <i>Significant shareholders</i>
9.	A licensed trust company under the Trust Companies Act (Cap. 336)	Any 20% controller, 50% controller or indirect controller of the licensed trust company

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FOURTH SCHEDULE

Regulation 11

SIGNIFICANT SHAREHOLDER PROVISIONS

	<i>First column</i> <i>Pertinent financial institution</i>	<i>Second column</i> <i>Significant shareholder provisions</i>
1.	A bank incorporated in Singapore	Sections 15A(1) and 15B(1) of the Banking Act (Cap. 19)
2.	A finance company licensed under the Finance Companies Act (Cap. 108)	Sections 10(2), 11(1) and 12(1) of the Finance Companies Act
3.	A merchant bank	Any directions given by the Authority to the merchant bank under section 28(3) of the Act, pursuant to which a person is required to obtain the approval of the Authority before purchasing or holding any shares of the merchant bank
4.	A financial holding company	Sections 15A(1) and 15B(1) of the Banking Act
5.	An operator of a designated payment system under the Payment Systems (Oversight) Act (Cap. 222A)	Section 23(1) and (2) of the Payment Systems (Oversight) Act
6.	An approved exchange under the Securities and Futures Act (Cap. 289)	Section 27(1) and (2) of the Securities and Futures Act
6A.	A licensed trade repository under the Securities and Futures Act	Section 46U(1) and (2) of the Securities and Futures Act

FOURTH SCHEDULE — *continued*

	<i>First column</i> <i>Pertinent financial institution</i>	<i>Second column</i> <i>Significant shareholder provisions</i>
6B.	An approved clearing house under the Securities and Futures Act	Section 70(1) and (2) of the Securities and Futures Act
7.	An approved holding company under the Securities and Futures Act	Section 81ZE(1) and (2) of the Securities and Futures Act
8.	A holder of a capital markets services licence (not being a holder of a capital markets services licence who carries on business in the regulated activity of providing credit rating services) under the Securities and Futures Act	Section 97A(2) of the Securities and Futures Act
9.	A licensed trust company under the Trust Companies Act (Cap. 336)	Section 16(1) of the Trust Companies Act

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Made this 15th day of April 2013.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

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