

# **Deposit Insurance and Policy Owners' Protection Schemes (Deposit Insurance) Regulations 2011**

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**No. S 239**

DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES ACT  
2011  
(ACT 15 OF 2011)

DEPOSIT INSURANCE AND  
POLICY OWNERS' PROTECTION SCHEMES  
(DEPOSIT INSURANCE)  
REGULATIONS 2011

In exercise of the powers conferred by sections 8, 12(4), 13, 25, 64 and 94 of, and the First Schedule to, the Deposit Insurance and Policy Owners' Protection Schemes Act 2011, the Monetary Authority of Singapore hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Deposit Insurance and Policy Owners' Protection Schemes (Deposit Insurance) Regulations 2011 and shall come into operation on 1st May 2011.

**Definitions**

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

“Accounting Standards” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“advocate and solicitor” means an advocate and solicitor of the Supreme Court who has in force a practising certificate;

“associated company” has the same meaning as the term “associate” defined in the Accounting Standards;

“banking corporation” means —

- (a) any bank licensed by the Authority under the Banking Act (Cap. 19);  
or
- (b) any entity licensed, registered, approved or otherwise regulated as a bank in the country of establishment;

“classified”, in relation to a credit facility, means any credit facility which has been categorised by a DI Scheme member as “substandard”, “doubtful” or “loss” pursuant to any notice in writing issued by the Authority under any written law;

“company” and “corporation” have the respective meanings as in section 4(1) of the Companies Act;

“counterparty related to the DI Scheme member” includes any holding company, subsidiary or associated company of the DI Scheme member, and any subsidiary or associated company of any holding company of the DI Scheme member;

“credit facility” means —

- (a) the granting by a DI Scheme member of advances, loans and other facilities whereby a customer of the DI Scheme member has access to funds or financial guarantees; or
- (b) the incurring by a DI Scheme member of other liabilities on behalf of a customer;

“debt security” includes any debenture, bond or note;

“eligible asset” means any of the assets specified in the First Schedule which may be included by a DI Scheme member for the purposes of computing its asset maintenance ratio under regulation 5;

“eligible pledged asset” has the meaning given to it by regulation 5(4);

“foreign bank” means a full bank which is incorporated in a jurisdiction other than Singapore and has operating branches or offices located within Singapore;

“holding company” and “subsidiary” have the respective meanings as in section 5 of the Companies Act (Cap. 50);

“housing loan” means a credit facility granted to an individual for the purchase of residential property where the credit facility is secured on that property;

“investment grade” means any of the following credit ratings issued by the respective credit rating agencies:

- (a) BBB-minus or better by Fitch Ratings;
- (b) Baa or better by Moody's Investor Services;
- (c) BBB-minus or better by Standard and Poor's Rating Services;

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

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“minimum cash balances” means the minimum cash balances maintained on deposit with the Authority by a bank as reserves against its deposit and other liabilities under section 39 of the Banking Act (Cap. 19);

“minimum liquid assets” means the minimum amount or amounts of liquid assets held by a bank under section 38 of the Banking Act;

“practising certificate” means a certificate issued by the Registrar under section 25 of the Legal Profession Act (Cap. 161);

“share” has the same meaning as in section 4(1) of the Companies Act;

“Singapore Government Securities” means any debt securities issued by the Government under any written law.

### **Premium year**

3.—(1) For the purposes of the definition of “premium year” in section 2(1) of the Act and subject to paragraph (2), the Authority hereby prescribes a premium year under section 12(4) of the Act to be the period beginning on 1st April of any year and ending on 31st March of the following year.

(2) The first premium year shall be the period beginning on 1st May 2011 and ending on 31st March 2012.

### **Asset maintenance requirement for foreign banks**

4.—(1) Every DI Scheme member which is a foreign bank shall maintain in relation to its insured deposit base, assets in Singapore for meeting its liabilities in respect of insured deposits placed with it, in the manner provided in paragraph (2).

(2) For the purposes of paragraph (1), the foreign bank shall at all times maintain an asset maintenance ratio of not less than 1 as determined in accordance with regulation 5.

### **Computation of asset maintenance ratio**

5.—(1) For the purposes of regulation 4(2) and subject to paragraphs (2), (3) and (4), the asset maintenance ratio is calculated in accordance with the formula:

$$\frac{\sum[A \times B]}{C},$$

where —

- (a) A is the value of any eligible asset or eligible pledged asset which —
- (i) is reflected as an asset in the books of the DI Scheme member in relation to its operations in Singapore;
  - (ii) is free from any prior encumbrances;
  - (iii) does not arise or result from any contractual or other arrangement with, or investment in, a counterparty related to the DI Scheme member; and
  - (iv) is not used to meet any requirements in relation to minimum liquid assets or minimum cash balances;
- (b) B is the percentage applicable to a particular eligible asset or an eligible pledged asset specified in the second column of the First Schedule or Second Schedule, as the case may be; and
- (c) C is —
- (i) for the period between 1 April 2019 and 31 December 2019 (both dates inclusive), the aggregate of the following amounts of every insured depositor of the DI Scheme member as at 31 December 2018:
    - (A) the aggregate of the amounts, not exceeding \$75,000, of insured deposits placed with the DI Scheme member which —
      - (AA) are held by the insured depositor in its or his own right;
      - (AB) are held by the insured depositor in its or his own right jointly with one or more persons in a joint account;
      - (AC) where the insured depositor is a sole-proprietor, are held in the name of the sole-proprietorship; and
      - (AD) consist of moneys denominated in Singapore dollars placed with the DI Scheme member