



REPUBLIC OF SINGAPORE

# GOVERNMENT GAZETTE

## ACTS SUPPLEMENT

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The following Act was passed by Parliament on 6 January 2020 and assented to by the President on 29 January 2020:—

### REPUBLIC OF SINGAPORE

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**No. 1 of 2020.**

I assent.



HALIMAH YACOB,  
*President.*  
29 January 2020.

An Act to amend the Banking Act (Chapter 19 of the 2008 Revised Edition) and to make consequential amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

**Short title and commencement**

1. This Act is the Banking (Amendment) Act 2020 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

**Amendment of section 2**

2.—(1) Section 2(1) of the Banking Act is amended —

- (a) by deleting the word “or” at the end of paragraph (a) of the definition of “capital funds”;
- (b) by inserting, immediately after the words “outside Singapore” in paragraph (b) of the definition of “capital funds”, the words “or a merchant bank incorporated outside Singapore”;
- (c) by inserting the word “or” at the end of paragraph (b) of the definition of “capital funds”, and by inserting immediately thereafter the following paragraph:
  - “(c) in the case of a merchant bank incorporated in Singapore, the aggregate of its paid-up capital (excluding any amount represented by treasury shares) and its published reserves (excluding any reserves that the Authority may specify by notice in writing), deduction having been made for any loss appearing in the accounts of the merchant bank;”;
- (d) by inserting, immediately after the words “a bank” in paragraphs (a) and (b) of the definition of “credit facilities”, the words “or merchant bank”;
- (e) by inserting, immediately after the words “customer of the bank” in paragraph (a) of the definition of “credit facilities”, the words “or merchant bank (as the case may be)”;
- (f) by inserting, immediately after the definition of “foreign-owned bank incorporated in Singapore”, the following definition:

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““foreign-owned merchant bank incorporated in Singapore” means a merchant bank incorporated in Singapore, the parent bank of which is incorporated, formed or established outside Singapore;”;

(g) by deleting the definition of “licence” and substituting the following definition:

““licence” means —

(a) a bank licence granted or held under section 7 or 79; or

(b) a merchant bank licence granted under section 55S or treated as having been granted under section 64 of the Banking (Amendment) Act 2020;”;

(h) by deleting the definition of “merchant bank” and substituting the following definitions:

““merchant bank” means any company —

(a) that holds a valid merchant bank licence granted under section 55S; or

(b) that is treated as having been granted a merchant bank licence in accordance with section 64 of the Banking (Amendment) Act 2020;

““merchant bank in Singapore” means —

(a) a merchant bank incorporated in Singapore; or

(b) in the case of a merchant bank incorporated outside Singapore, the branches and offices of the merchant bank located in Singapore;

“merchant bank incorporated outside Singapore”  
means a merchant bank incorporated, formed  
or established outside Singapore;”;

- (i) by inserting, immediately after the words “a bank” in the definition of “parent bank”, the words “or merchant bank”;
- (j) by inserting, immediately after the words “the bank” wherever they appear in the definition of “parent bank”, the words “or merchant bank (as the case may be)”;
- (k) by deleting the word “or” at the end of paragraph (a) of the definition of “parent supervisory authority”;
- (l) by inserting, immediately after paragraph (b) of the definition of “parent supervisory authority”, the following paragraphs:
  - “(c) in relation to a merchant bank incorporated outside Singapore, a supervisory authority that is responsible, under the laws of the country or territory where the merchant bank or its parent bank is incorporated, formed or established, for supervising the merchant bank or its parent bank, as the case may be; or
  - (d) in relation to a foreign-owned merchant bank incorporated in Singapore, a supervisory authority that has consolidated supervision authority over the merchant bank;”;
- (m) by deleting the definitions of “place of business” and “published reserves” and substituting the following definitions:
  - ““place of business”, in relation to a bank or merchant bank, includes —
    - (a) a head or main office;
    - (b) a branch;
    - (c) an agency;

- (d) a mobile branch;
- (e) any office established and maintained for the bank or merchant bank (as the case may be) for a limited period only; and
- (f) any other place used by the bank or merchant bank (as the case may be) for the conduct of any of its business;

“published reserves”, in relation to a bank or merchant bank, means reserves in the accounts of the bank or merchant bank (as the case may be) that are duly audited or certified as correct by the auditor of the bank or merchant bank, as the case may be;”.

(2) Section 2(2) of the Banking Act is amended by inserting, immediately after the words “a bank”, the words “or merchant bank”.

#### **Amendment of section 4**

3. Section 4(1) of the Banking Act is amended by deleting the word “No” and substituting the words “Subject to section 55S, no”.

#### **Amendment of section 4B**

4. Section 4B(7) of the Banking Act is amended by deleting paragraph (b) and substituting the following paragraph:

“(b) the capital of or the interest on money received by way of deposit is used to finance any activity of the business to any material extent.”.

#### **Amendment of section 7**

5. Section 7 of the Banking Act is amended —

- (a) by deleting the words “A company” in subsection (1) and substituting the words “Subject to section 55S, a company”; and
- (b) by deleting subsection (6).