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GOVERNMENT GAZETTE

ACTS SUPPLEMENT

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The following Act was passed by Parliament on 15th March 2013 and assented to by the President on 11th April 2013:—

REPUBLIC OF SINGAPORE

No. 10 of 2013.

I assent.

TONY TAN KENG YAM,
President.
11th April 2013.



An Act to amend certain statutes of the Republic of Singapore relating to, or in connection with, the regulation of financial institutions, financial entities or financial instruments.

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 may be cited as the Financial Institutions (Miscellaneous Amendments) Act 2013 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of Banking Act

2. The Banking Act (Cap. 19) is amended —

(a) by deleting the words “Part VIIA” in section 20(1)(b) and (7) and substituting in each case the words “Part IVB of the Monetary Authority of Singapore Act (Cap. 186)”;

(b) by inserting, immediately after subsection (7) of section 38, the following subsection:

“(7A) A financial penalty collected by the Authority under subsection (7) shall be paid into the Consolidated Fund.”;

(c) by inserting, immediately after subsection (7) of section 39, the following subsection:

“(7A) A financial penalty collected by the Authority under subsection (7) shall be paid into the Consolidated Fund.”;

(d) by renumbering section 48 as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

“(2) Any bank which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.”;

(e) by repealing sections 54, 54A and 54B and substituting the following section:

“Disqualification or removal of director or executive officer

54.—(1) Notwithstanding the provisions of any other written law —

- (a) a bank in Singapore shall not, without the prior written consent of the Authority, permit a person to act as its executive officer; and
- (b) a bank in Singapore which is incorporated in Singapore shall not, without the prior written consent of the Authority, permit a person to act as its director,

if the person —

- (i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 2(e) of the Financial Institutions (Miscellaneous Amendments) Act 2013, being an offence —
 - (A) involving fraud or dishonesty;
 - (B) the conviction for which involved a finding that he had acted fraudulently or dishonestly; or
 - (C) that is specified in the Third Schedule to the Registration of Criminals Act (Cap. 268);
- (ii) is an undischarged bankrupt, whether in Singapore or elsewhere;
- (iii) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;
- (iv) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a

compromise or scheme of arrangement that is still in operation;

(v) has had a prohibition order under section 59 of the Financial Advisers Act (Cap. 110), section 35V of the Insurance Act (Cap. 142) or section 101A of the Securities and Futures Act (Cap. 289) made against him that remains in force; or

(vi) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

(A) which is being or has been wound up by a court; or

(B) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the regulatory authority in that foreign country or territory.

(2) Notwithstanding the provisions of any other written law, where the Authority is satisfied that a director of a bank in Singapore which is incorporated in Singapore, or an executive officer of a bank in Singapore —

(a) has wilfully contravened or wilfully caused the bank to contravene any provision of this Act;

(b) has, without reasonable excuse, failed to secure the compliance of the bank with this Act, the Monetary Authority of Singapore Act (Cap. 186) or any of the written laws set out in the Schedule to that Act; or

(c) has failed to discharge any of the duties of his office,

the Authority may, if it thinks it necessary in the public interest or for the protection of the depositors of the bank, by notice in writing to the bank, direct the bank to remove the director or executive officer, as the case may be, from his office or employment within such period as may be specified by the Authority in the notice, and the bank shall comply with the notice.

(3) Without prejudice to any other matter that the Authority may consider relevant, the Authority shall, when determining whether a director or an executive officer of a bank in Singapore has failed to discharge the duties of his office for the purposes of subsection (2)(c), have regard to such criteria as may be prescribed.

(4) Before directing a bank in Singapore to remove a person from his office or employment under subsection (2), the Authority shall —

(a) give the bank and the person notice in writing of its intention to do so; and

(b) in the notice referred to in paragraph (a), call upon the bank and the person to show cause, within such time as may be specified in the notice, why the person should not be removed.

(5) If the bank and the person referred to in subsection (4) —

(a) fail to show cause within the time specified under subsection (4)(b) or within such extended period of time as the Authority may allow; or

(b) fail to show sufficient cause,

the Authority may direct the bank to remove the person under subsection (2).