

Companies (Central Depository System) (Amendment) Regulations 2006

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No. S 164

COMPANIES ACT (CHAPTER 50)

COMPANIES (CENTRAL DEPOSITORY SYSTEM) (AMENDMENT) REGULATIONS 2006

In exercise of the powers conferred by section 130P of the Companies Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies (Central Depository System) (Amendment) Regulations 2006 and shall come into operation on 17th March 2006.

Amendment of regulation 2

2. Regulation 2 of the Companies (Central Depository System) Regulations (Rg 2) is amended by inserting, immediately after the definition of “Depository Agent Agreement”, the following definition:

““depository fee” means any fee, tariff or compensation imposed by the Depository on account holders for —

(a) the deposit of book-entry securities with the Depository, the custody of such securities by the Depository, or their withdrawal or transfer; or

(b) the maintenance of accounts of book-entry securities by the Depository, or for the opening or closing of such accounts,

but does not include a clearing fee defined in regulation 16(12) of the Securities and Futures (Clearing Facilities) Regulations 2005 (G.N. S 366/2005);”.

New regulation 25A

3. The Companies (Central Depository System) Regulations are amended by inserting, immediately after regulation 25, the following regulation:

“Approval of depository fee by Monetary Authority of Singapore

25A.—(1) The Depository shall not —

(a) impose any depository fee; or

(b) modify, restructure or otherwise change any existing depository fee,

without the prior approval of the Monetary Authority of Singapore.

(2) An application to the Monetary Authority of Singapore for approval under paragraph (1) shall be made in Form N.

(3) The Monetary Authority of Singapore may require the Depository to furnish it with such information or documents as the Monetary Authority of Singapore considers necessary in relation to the application referred to in paragraph (2) and the Depository shall furnish such information or documents as the Monetary Authority of Singapore may require.

(4) The Monetary Authority of Singapore shall, within 20 business days of receipt of a completed application referred to in paragraph (2), by notice in writing to the Depository, either grant the approval or notify the Depository of its intention to refuse to grant the approval.

(5) The Monetary Authority of Singapore may, by notice in writing to the Depository, extend the period referred to in paragraph (4) —

(a) to a maximum of 35 business days from the day of receipt of a

completed application referred to in paragraph (2); or

- (b) for a further period of such duration as the Monetary Authority of Singapore thinks fit upon the expiry of the 35 business days referred to in sub-paragraph (a).

(6) Where the Monetary Authority of Singapore extends the period referred to in paragraph (4) under paragraph (5)(b), the Monetary Authority of Singapore shall, prior to extending the period, give the Depository an opportunity to be heard.

(7) The Monetary Authority of Singapore may have regard to the following matters for the purposes of deciding whether to grant or refuse to grant its approval:

- (a) the effect of the proposed imposition of, or change in, the depository fee on —
 - (i) competition in the financial services industry of Singapore; and
 - (ii) access to depository services in Singapore;
- (b) the cost of providing the service for which such proposed imposition of, or change in, depository fee is proposed;
- (c) the effect of such proposed imposition of, or change in, depository fee on the cost and efficiency of trading, clearing and settlement and custody of book-entry securities in Singapore; and
- (d) the effect of such proposed imposition of, or change in, depository fee on the objective of the Monetary Authority of Singapore as specified in section 4(c) of the Monetary Authority of Singapore Act (Cap. 186).

(8) The Monetary Authority of Singapore may grant its approval subject to such conditions or restrictions as the Monetary Authority of Singapore may think fit to impose by notice in writing to the Depository, including conditions or restrictions relating to —

- (a) the period for which the approval of a depository fee will be in force;
- (b) the circumstances under which, or the date by which, the Depository will be required to submit another application for approval of the depository fee under paragraph (2) upon the expiry of the period referred to in sub-paragraph (a); and