

ANNEX 3

<p>(a) Acceptance of deposits and other repayable funds from the public</p>	<p>1) Unbound 2) None 3) Only institutions approved as banks, merchant banks and finance companies can accept deposits.</p> <p>Where a foreign financial institution is subject to legislation in its home country which requires that institution to confer lower priority to depositors of its foreign offices vis-à-vis the home country depositors in receivership or winding-up proceedings, MAS may exercise appropriate differentiated measures against that foreign financial institution in Singapore to safeguard the interest of the Singapore office's depositors.</p> <p>MAS may require foreign banks to incorporate under Singapore law.</p> <p>Establishment and operation of foreign banks, merchant banks and finance companies are also subject to the limitations listed under sector 7.B(a) to B(1) and the following limitations:</p>	<p>1) Unbound 2) None 3) COMMERCIAL BANKS</p> <p>A bank incorporated in Singapore is required to establish a nominating committee to identify and review nominations for appointments to the board of directors and to senior executive positions. A majority of the directors of a bank incorporated in Singapore must be either Singapore citizens or Singapore permanent residents.</p> <p>Foreign banks can operate from only one office(excluding back-office operations). They cannot establish off-premise ATMs, ATM networking and new sub-branches.</p> <p>Unbound for provision of all electoric banking services</p> <p>Location and relocation of banks and sub-branches require prior approval from MAS.</p>	
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COMMERCIAL BANKS

One full bank (FB) licence may be granted to a Japanese bank. (*)

New foreign banks may only establish as offshore bank branches or representative offices.

(*)Such admission is subject to the notes to the heading of Sector 7.B. For the avoidance of doubt, any Japanese bank intending to apply for the FB licence shall be subject to the relevant admission criteria of MAS, or any other relevant authority or body in Singapore.

Representative offices cannot conduct business or act as agents.

Banks, with MAS' approval, can operate foreign currency savings accounts only for non-residents.

Quantitative limits on the number of Wholesale Bank (WB) licences will be removed for Japanese Banks. (**)

Restricted banks can only accept foreign currency fixed deposits from and operate current accounts for residents and non-residents. For Singapore dollar deposits, they can only accept fixed deposits of S\$250,000 or more per deposit and operate current accounts.

Offshore banks can accept foreign currency fixed deposits from residents and non-residents. For Singapore dollar deposits, they can only accept fixed deposits of S\$250,000 or more per deposit from non-residents.

MERCHANT BANKS

Merchant banks can operate from only one office(excluding back-office operations).

Location and relocation of merchant banks require MAS' prior approval.

Merchant banks can, with MAS' authorisation, raise foreign currency funds from residents and non-residents, operate foreign currency savings accounts for non-residents and raise Singapore dollar funds from their shareholders and companies controlled by their shareholders, banks, other merchant banks and finance companies.

	<p>(**)Such admissions are subject to the notes to the heading of Sector 7.B. For the avoidance of doubt, any Japanese bank intending to apply for a WB licence shall be subject to the relevant admission criteria of MAS, or any other relevant authority or body in Singapore.</p> <p>WBs are not permitted to:</p> <ul style="list-style-type: none">(a) accept Singapore dollar fixed deposits of less than S\$250,000;(b) offer savings accounts;(c) operate interest-bearing Singapore dollar current accounts for natural persons who are Singapore residents; or	<p>FINANCE COMPANIES</p> <p>Location and relocation of finance companies and sub-branches require MAS' prior approval.</p> <p>Foreign-owned finance companies cannot establish off-premise ATMs, ATM networking and new sub-branches.</p>	
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	<p>(d) issue Singapore dollar bonds and negotiable certificates of deposit, unless requirements pertaining to minimum maturity period, minimum denomination or class of investors contained in the Guidelines for Operation of Wholesale Banks issued by MAS and/or its successor body are complied with.</p> <p>A single/related group of foreign shareholders can hold up to 5 per cent of the shares of a bank incorporated in Singapore. MAS' approval is also required for shareholding at the 5 per cent, 12 per cent and 20 per cent threshold limits.</p> <p>In approving applications to exceed the threshold limits, MAS may impose conditions it considers necessary to prevent undue control, protect public interests, and ensure the integrity of the financial system.</p>		
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	<p>Shareholdings in a subsidiary bank of a Singapore-incorporated bank held by investors other than the parent bank are restricted to a maximum of 49%. Management control over the subsidiary bank must also remain with the parent Singapore-incorporated bank.</p> <p>MERCHANT BANKS</p> <p>Foreign banks and merchant banks may establish as merchant bank subsidiaries or merchant bank branches.</p> <p>FINANCE COMPANIES</p> <p>No new finance companies.</p> <p>The limit on aggregate foreign ownership of each domestic finance company shall not exceed 20 per cent.</p> <p>Dealing in foreign currencies, gold or other precious metals, and acquiring foreign currency stocks, shares, debt securities or convertible securities is subject to MAS' approval under the Finance Companies Act (Cap. 108).</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>4) Unbound</p>	
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