

Banking Act
(CHAPTER 19)

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BANKING ACT

(CHAPTER 19)

(Original Enactment: Act 41 of 1970)

REVISED EDITION 2008

(31st March 2008)

An Act to provide for the licensing and regulation of the business of banks and related financial institutions, and the credit card and charge card business of banks and other institutions, and matters related thereto.

[23/2001; 1/2007]

[1st January 1971]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Banking Act.

Interpretation

- 2.—(1) In this Act, unless the context otherwise requires —

“agreement” means an agreement whether formal or informal and whether express or implied;

“Authority” means the Monetary Authority of Singapore established under the [Monetary Authority of Singapore Act \(Cap. 186\)](#);

“bank” means any company which holds a valid licence under [section 7](#) or [79](#);

“bank in Singapore” means —

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

of the bank located within Singapore;

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

“banking business” means the business of receiving money on current or deposit account, paying and collecting cheques drawn by or paid in by customers, the making of advances to customers, and includes such other business as the Authority may prescribe for the purposes of this Act;

“book” includes any record, register, document or other record of information and any account or accounting record, however compiled, recorded or stored, whether in written, printed form or on microfilm or by electronic process or otherwise;

“business day” means any calendar day other than a Saturday, Sunday, public holiday or bank holiday;

“capital funds” means —

(a) in the case of a bank incorporated in Singapore —

- (i) in [sections 31](#) and [33](#), its capital used for the purposes of calculating its capital adequacy ratio under [section 10](#); or
- (ii) in other sections of the Act, the aggregate of its paid-up capital (excluding any amount represented by treasury shares) and its published reserves (excluding such reserves as the Authority may specify by notice in writing), deduction having been made for any loss appearing in the accounts of the bank; or

(b) in the case of a bank incorporated outside Singapore, such net head office funds and such other liabilities as the Authority may, by notice in writing, specify;

“chief executive”, in relation to a company, means any person, by whatever name described, who —

- (a) is in the direct employment of, or acting for or by arrangement with, the company; and
- (b) is principally responsible for the management and conduct of the business of the company;

“company” means any company defined in any written law for the time being in force relating to companies, any company formed in pursuance of any Royal Charter or Letters Patent, and any company incorporated or registered under any written law in force in Singapore and includes any body corporate or unincorporate, whether incorporated, formed or established outside Singapore;

“corporation” has the same meaning as in [section 4\(1\) of the Companies Act \(Cap. 50\)](#);

“credit facilities” means —

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

“director” includes any person occupying the position of director of a corporation by whatever name called and includes a person in accordance with whose directions or instructions the directors of a corporation are accustomed to act and an alternate or substitute director;

“employee” includes an individual seconded or temporarily transferred from another employer;

“executive officer”, in relation to a company, means any person, by whatever name described, who —

- (a) is in the direct employment of, or acting for or by arrangement with, the company; and
- (b) is concerned with or takes part in the management of the company on a day-to-day basis;

“financial holding company” means a company belonging to a class of financial institutions approved as financial holding companies under [section 28 of the Monetary Authority of Singapore Act \(Cap. 186\)](#);

“financial year” has the same meaning as in [section 4\(1\) of the Companies Act](#);

“foreign company” has the same meaning as in [section 4\(1\) of the Companies Act](#);

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

“licence” means a licence granted or held under [section 7](#) or [79](#);

“limited liability partnership” has the same meaning as in [section 2\(1\) of the Limited Liability Partnerships Act \(Cap. 163A\)](#);

“officer”, in relation to a corporation, includes —

- (a) a director, secretary or an employee of the corporation;
- (b) a receiver or manager of any part of the undertaking of the corporation appointed under a power contained in any instrument; and
- (c) the liquidator of the corporation appointed in a voluntary winding up;

“parent bank”, in relation to a bank, means a financial institution which is able to exercise a significant influence over the direction and management of the bank or which has a controlling interest in the bank;

“parent supervisory authority” means —

- (a) in relation to a bank incorporated outside Singapore, the supervisory authority which is responsible, under the laws of the country or territory where the bank or its parent bank is incorporated, formed or established, for supervising the bank or its parent bank, as the case may be; or
- (b) in relation to a foreign-owned bank incorporated in Singapore, the supervisory authority which has consolidated supervision authority over the bank;

“partner” and “manager”, in relation to a limited liability partnership, have the respective meanings assigned to them in [section 2\(1\) of the Limited Liability Partnerships Act](#);

“person” includes a corporation;

“place of business”, in relation to a bank, includes a head or main office, a branch, an agency, a representative office, a mobile branch of the bank, any office established and maintained for a limited period only and any other place used by the bank for the dispensing or acceptance of money on account or for the conduct of other banking business;

“published reserves”, in relation to a bank, means reserves which appear in the accounts of the bank which are duly audited or certified as correct by the auditor of the bank;

“qualifying subsidiary” means a company which is a subsidiary of a bank incorporated in Singapore where such bank meets the requirements under [section 9\(1\)](#);

“Registrar” has the same meaning as in [section 4\(1\) of the Companies Act \(Cap. 50\)](#);

“related corporation”, in relation to a corporation, means a corporation that is deemed to be related to the first-mentioned corporation under [section 6 of the Companies Act](#);

“savings account liabilities”, in relation to a bank, means the total deposits at that bank which normally require the presentation of passbooks for the deposit or withdrawal of moneys;

“share” has the same meaning as in [section 4\(1\) of the Companies Act](#) and includes an interest in a share;

“sight liabilities”, in relation to a bank, means the total deposits at the bank which are repayable on demand, but does not include savings account liabilities or the deposits of any other bank at the bank;

“subsidiary” has the same meaning as in [section 5 of the Companies Act](#);

“substantial shareholder” has the same meaning as in [section 81 of the Companies Act](#);

“time liabilities”, in relation to a bank, means the total deposits at the bank which are repayable otherwise than on demand, but does not include savings account liabilities or the deposits of any other bank at the bank;

“total number of issued shares”, in relation to a company, does not include treasury shares;

“treasury share” has the same meaning as in [section 4\(1\) of the Companies Act](#).

[2/84; 21/96; 23/2001; 5/2005; 1/2007]

(2) Without prejudice to any other meaning which the word “insolvent” may have, a bank shall, for the purposes of this Act, be deemed to be insolvent if either it has ceased to pay its debts in the ordinary course of business or is unable to pay its debts as they become due.